This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 1990

LISTED MARCH 19th, 1958
900,000 common shares without par value
Ticker abbreviation GHL
Post section 11

TORONTO STOCK EXCHANGE

LISTING STATEMENT

GREYHOUND LINES OF CANADA LTD.

An operating company incorporated under the laws of Canada by Letters Patent dated September 11, 1957.

SHARES WITHOUT PAR VALUE
(Transferable in Toronto, Montreal, Winnipeg, Calgary and Vancouver)

CAPITAL SECURITIES AND FUNDED DEBT AS AT MARCH 18, 1958

	Authorized	Issued and Outstanding	To Be Listed
FUNDED DEBT:			
Real Estate Mortgage		\$ 130,000	Nil
5½% Secured Convertible Sinking Fund Debentures, Series A, maturing March 15, 1978	\$3,500,000 (1)	\$3,500,000 (2)	Nil
CAPITAL SECURITIES:			
Common Shares without par value	2,400,000 shs. (2)	900,000 shs.	900,000 shs.

NOTES: (1) Additional Secured Debentures may be issued subject to restrictions to be contained in the Trust Deed.
(2) Sufficient shares will be reserved for the conversion of the 5½% Secured Convertible Sinking Fund Debentures, Series A.

March 18th, 1958

1. APPLICATION

GREYHOUND LINES OF CANADA LTD. (herein sometimes called the "Company") hereby makes application for listing on the Toronto Stock Exchange of 900,000 shares without par value in the capital stock of the Company, all of which are issued and outstanding as fully paid and non-assessable.

2. REFERENCE TO PROSPECTUS

Reference is made to the attached prospectus issued by the Company under date of February 28, 1958 in respect to the offering of 5½% Secured Convertible Sinking Fund Debentures, Series A, in the aggregate principal amount of \$3,500,000 and 180,000 common shares without par value in the capital of the Company, a copy of which prospectus is hereby incorporated herein and made part hereof.

3. OPINION OF COUNSEL

Messrs. Chambers, Might, Saucier, Milvain, Peacock, Jones & Black, 6th floor, Lancaster Building, Calgary, Alberta, Counsel for the Company, are filing in support of this application an opinion stating, among other things, that (i) the Company is duly incorporated and is a valid and subsisting corporation in good standing under the Companies Act (Canada) and under the laws of the Province of Alberta, and (ii) the authorized capital of the Company consists of 2,400,000 common shares without par value of which 900,000 shares have been validly issued and are outstanding as fully paid and non-assessable.

4. LISTING ON OTHER STOCK EXCHANGES

None of the securities of the Company are listed on any other stock exchange.

5. STATUS UNDER THE SECURITIES ACT

The offering of the 5½% Secured Convertible Sinking Fund Debentures, Series A, in the aggregate principal amount of \$3,500,000 and 180,000 common shares without par value in the capital of the Company referred to in paragraph 2 hereof and in the prospectus attached hereto was qualified for sale to the public in each of the Provinces of Canada excepting Prince Edward Island and Newfoundland.

6. FISCAL YEAR

The fiscal year of the Company ends on December 31 in each year.

7. ANNUAL MEETING

The annual meeting of the shareholders shall be held at such place on such day in each year as the Board of Directors may by resolution determine, and if no other place or time is prescribed by them, then at the head office of the Company on the last Tuesday of the month of March in each year. No annual meeting has yet been held.

8. HEAD OFFICE

The head office of the Company is at 222 First Avenue West, Calgary, Alberta.

9. TRANSFER AGENT AND REGISTRAR

Montreal Trust Company at its offices in the Cities of Toronto, Montreal, Winnipeg, Calgary and Vancouver is the Transfer Agent and Registrar for the shares of the Company.

10. TRANSFER FEE

No fee is charged on the transfer of the common shares without par value other than customary stock transfer taxes.

11. AUDITORS

The auditors of the Company are Messrs. George A. Touche & Co., Chartered Accountants, 67 Yonge Street, Toronto, Ontario.

12. DIRECTORS

Robert Lionel Borden	Executive	1321 Frontenac Avenue, Calgary, Alberta
Orville Swan Caesar	Executive	Brinker and Dundee Roads, Barrington, Illinois, U.S.A.
Arthur Samuel Genet	Executive	541 Merrioaks Road, Barrington, Illinois, U.S.A.
Arthur Middleton Hill	Executive	2818 McGill Terrace, N.W., Washington, D.C., U.S.A.
Charles Patrick McTague	Queen's Counsel	2 Clarendon Avenue, Toronto, Ontario
Clifford Griffith Schultz	Executive	3644 Richmond Street, Jacksonville, Florida, U.S.A.
Jules Robert Timmins	Investment Dealer	14 Sunnyside Avenue, Montreal, Quebec
Herbert Galbraith Wellington	Investment Dealer	19 East 72nd Street, New York, N.Y., U.S.A.

OFFICERS

Robert Lionel Borden	President	1321 Frontenac Avenue, Calgary, Alberta
Harry Zoltok	Vice-President, Manufacturing	790 South Drive, Fort Garry, Winnipeg, Manitoba
Robert Wallace Rebney	Vice-President and Treasurer	840 Martin Drive, Palatine, Illinois, U.S.A.
Charles Patrick McTague	Secretary	2 Clarendon Avenue, Toronto, Ontario
Duncan Robertson	Comptroller and Asst. Secretary	240 Second Ave. North East, Calgary, Alberta
Merrill Buffington	Assistant Secretary	730 Ashland Avenue, Wilmette, Illinois, U.S.A.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby makes application for listing of the above mentioned securities on the Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

Corporate Seal

GREYHOUND LINES OF CANADA LTD.

"R. L. BORDEN", *President.*

"MERRILL BUFFINGTON", *Assistant Secretary.*

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of Common Stock as of March 20th, 1958

Number		*Shares*
454	Holders of 1 — 100 share lots	28,487
48	" " 101 — 200 " "	8,745
15	" " 201 — 300 " "	4,350
2	" " 301 — 400 " "	800
9	" " 401 — 500 " "	4,500
7	" " 501 — 1000 " "	5,200
16	" " 1001 — up " "	847,918
551 Stockholders	Total shares	900,000

Greyhound Lines of Canada Ltd.

(Incorporated under the laws of Canada)

$3,500,000

5½% Secured Convertible Sinking Fund Debentures, Series A

and

180,000 Common Shares

PRINTED IN CANADA

A copy of this prospectus has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act of Canada.

This prospectus is not, and under no circumstances is to be construed as, a public offering of any of these Debentures for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUE

$3,500,000

Greyhound Lines of Canada Ltd.

(Incorporated under the laws of Canada)

5½% Secured Convertible Sinking Fund Debentures, Series A

To be dated March 15, 1958 **To mature March 15, 1978**

Principal and half-yearly interest (March 15 and September 15) and redemption premium, if any, on the Series A Debentures will be payable in lawful money of Canada at any branch in Canada of the Company's bankers, at the holder's option. The Series A Debentures will be issued in coupon form registrable as to principal only in denominations of $500 and $1,000.

The Series A Debentures will be redeemable prior to maturity at the option of the Company in whole at any time or in part from time to time on not less than 30 days' notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 5½% of the principal amount to and including March 14, 1959; thereafter such premium to decrease progressively 3/10 of 1% of such principal amount on March 15, 1959 and on each succeeding March 15 prior to March 15, 1977 and to decrease 1/10 of 1% of such principal amount on March 15, 1977 on and after which date the Series A Debentures will be redeemable without premium. The Series A Debentures will be redeemable for sinking fund purposes by lot on 30 days' prior notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 2.3% of the principal amount to and including March 14, 1962; thereafter such premium to decrease progressively 3/20 of 1% of such principal amount on March 15, 1962 and on each succeeding March 15 prior to March 15, 1977 and to decrease 1/20 of 1% of such principal amount on March 15, 1977 on and after which date the Series A Debentures will be redeemable for sinking fund purposes without premium. The Company will have the right to purchase Series A Debentures in the open market or by private contract at prices not exceeding the then current redemption price applicable to redemptions at the option of the Company plus costs of purchase.

The Company will covenant to pay to the Trustee as and by way of a sinking fund for the Series A Debentures on or before March 15 in each of the years 1961 to 1977 inclusive, a sum sufficient to retire $125,000 principal amount of Series A Debentures. Reference is made to paragraph (e) of the statutory information in this prospectus for further particulars relating to the sinking fund.

Conversion Privilege

The Series A Debentures will be convertible at the option of the holders at any time up to 2:00 p.m. Mountain Standard Time on March 15, 1968 or the close of business on the business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid and non-assessable common shares of the Company at the following prices in lawful money of Canada per share taking each Debenture at the principal amount thereof without adjustment for interest thereon:

On or before March 15, 1963 .... $11.50 per share
Thereafter and before 2:00 p.m. Mountain Standard Time March 15, 1968 .... $13.50 per share.

Reference is made to page 10 of this prospectus for a summary of certain provisions relating to adjustments in the number of shares issuable pursuant to the Conversion Privilege in certain events.

Trustee: The Royal Trust Company

In the opinion of Counsel, these Debentures will be investments in which the Canadian and British Insurance Companies Act states that companies registered under Part III thereof may, without availing themselves for that purpose of the provisions of subsection (4) of Section 63 of the said Act, invest their funds.

We, as principals, offer these 5½% Secured Convertible Sinking Fund Debentures, Series A, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters on our behalf by Messrs. Blake, Cassels & Graydon, Toronto, and on behalf of the Company by Messrs. Chambers, Might, Saucier, Milvain, Peacock, Jones & Black, Calgary, on whose opinion as to security and other matters of local law, our counsel will rely.

Price: 100 plus accrued interest

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that Series A Debentures in interim bearer form will be available for delivery on or about March 18, 1958. Such interim Series A Debentures will be exchangeable for definitive Series A Debentures when available.

A copy of this prospectus has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act of Canada.

This prospectus is not, and under no circumstances is to be construed as, a public offering of any of these Shares for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUE

180,000 Common Shares

(without nominal or par value)

Greyhound Lines of Canada Ltd.

(Incorporated under the laws of Canada)

Transfer Agent and Registrar
Montreal Trust Company

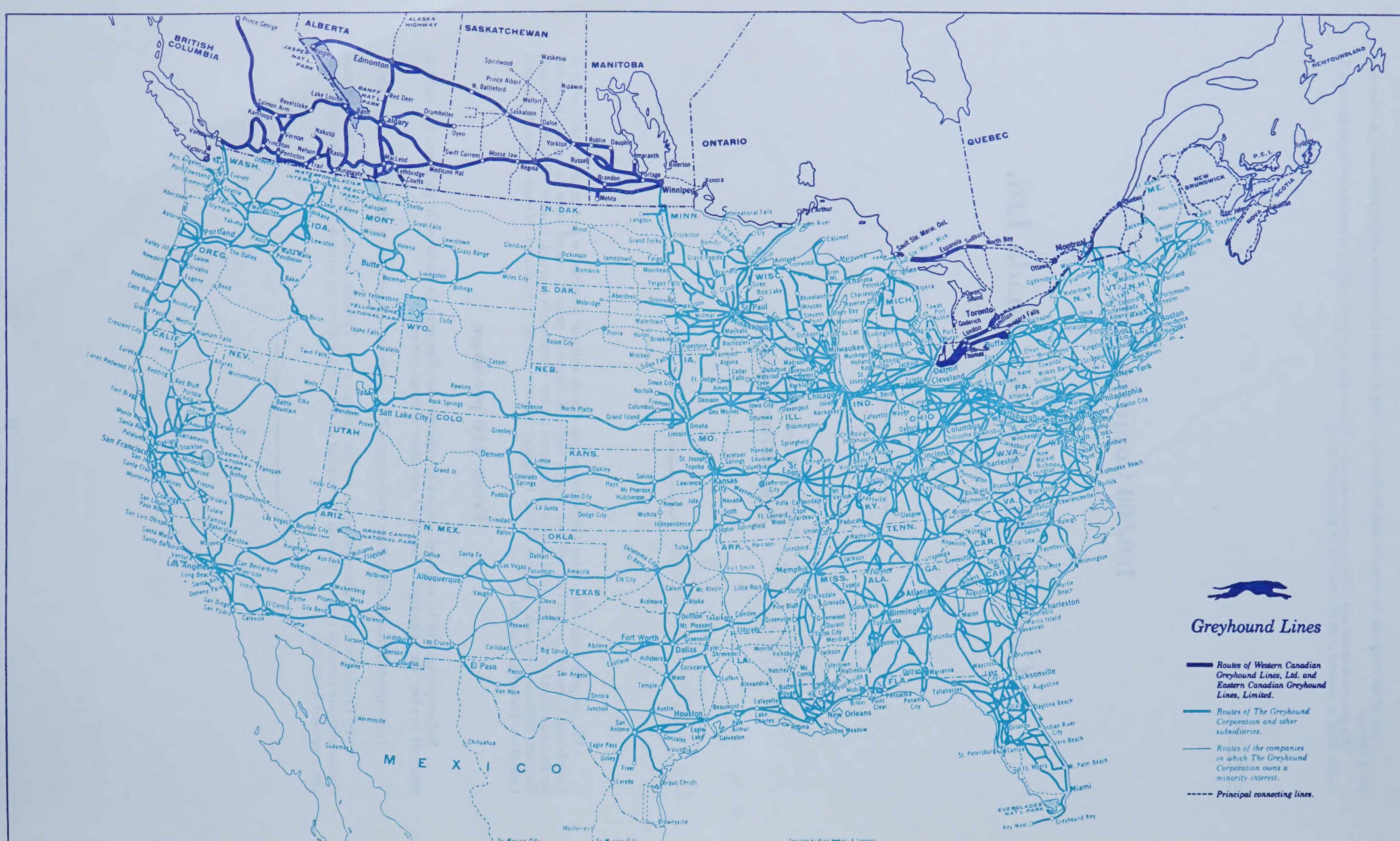
We, as principals, offer these 180,000 common shares without nominal or par value in the capital ol Greyhound Lines of Canada Ltd. subject to prior sale and change in price if, as and when issued and accepted by us and subject to the approval of all legal matters by the Company's counsel, Messrs. Chambers, Might, Saucier, Milvain, Peacock, Jones & Black, Calgary, Alberta and by our counsel, Messrs. Blake, Cassels & Graydon, Toronto, Ontario.

Price: $10 per share

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that interim share certificates will be ready for delivery on or about March 18, 1958.

The Company has made application for the listing on the Toronto Stock Exchange of the common shares without nominal or par value in the capital of the Company to be outstanding upon completion of the proposed financing.


Greyhound Lines
Routes of Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited.
Routes of The Greyhound Corporation and other subsidiaries.
Routes of the companies in which The Greyhound Corporation owns a minority interest.
Principal connecting lines.
M E X I C O

Mr. R. L. Borden, President of Greyhound Lines of Canada Ltd., has supplied the following information in connection with the sale of the securities offered by this Prospectus:

Greyhound Lines of Canada Ltd.

Greyhound Lines of Canada Ltd. (hereinafter called the "Company") was incorporated under the laws of Canada by Letters Patent dated September 11, 1957 and shortly thereafter acquired from The Greyhound Corporation (of the United States) all of the outstanding shares of Eastern Canadian Greyhound Lines, Limited (hereinafter sometimes called "Eastern Canadian Greyhound") and Western Canadian Greyhound Lines, Ltd. (hereinafter sometimes called "Western Canadian Greyhound") in exchange for 450,000 common shares (720,000 common shares as now constituted) of the Company.

Eastern Canadian Greyhound was originally incorporated in Ontario in 1931 as Toronto Greyhound Lines, Limited and in 1944 its name was changed to Eastern Canadian Greyhound Lines, Limited.

Western Canadian Greyhound was incorporated in Alberta in 1940 and subsequently acquired the operations of various bus lines in Western Canada. In 1948 it purchased 62% of the outstanding shares of Motor Coach Industries Limited and now owns 100% of the outstanding shares. In the same year it incorporated a wholly-owned subsidiary, The Greyhound Buildings Limited, which owns a 10-story office and bus terminal building in downtown Calgary.

Business

The Company is primarily engaged, through subsidiaries, in motor bus operations in Western and Eastern Canada. Through Motor Coach Industries Limited, the Company is also engaged in the manufacture and sale of motor buses and bus parts and, to a lesser extent, pole line hardware and aluminum window and door frames. The Company and its subsidiaries conduct all of the Greyhound bus and other operations in Canada except for a few short bus routes connecting the United States system with certain Canadian lines and except for a car and truck rental business in Toronto.

Ownership

The Company has been formed for the primary purpose of affording Canadian investors an opportunity to share directly in the development of Greyhound operations in Canada. The common shares being offered by this Prospectus to investors in Canada represent 20% of the 900,000 common shares of the Company to be outstanding upon completion of this financing. The Series A Debentures being offered in Canada grant the right for a specified number of years to convert such Debentures into common shares of the Company. As a result of these offerings a total of approximately 40% of the outstanding voting shares of the Company would become available to Canadian investors, if all such Debentures were converted immediately. The balance of the voting shares of the Company, constituting the controlling interest, are owned by The Greyhound Corporation of the United States, and it is anticipated that this company will retain its controlling interest.

Bus Line Operations

The Company's bus line operations, primarily long distance routes, are conducted through Eastern Canadian Greyhound and Western Canadian Greyhound. Eastern Canadian Greyhound operates in Ontario while Western Canadian Greyhound operates in British Columbia, Alberta, Saskatchewan and Manitoba. These subsidiaries, together and through connections with associated Greyhound companies in the United States, provide a bus transportation system from Toronto to Vancouver via United States routes through Detroit, Chicago, and St. Paul. During 1957 over 316,668,000 passenger miles were travelled on the system operated by the Company's subsidiaries. These subsidiaries benefit from a substantial amount of interline traffic, both in Canada and to and from points in the United States. Total route mileage operated by the Company's subsidiaries was 7,308 miles as at December 31, 1957.

Eastern Canadian Greyhound operates three main routes in Ontario: between Toronto and Windsor, between Niagara Falls, Fort Erie, and Windsor, and between Sault Ste. Marie and North Bay. Service is also provided to principal places along such routes. At Toronto connections are made with Colonial Coach Lines Limited to provide service for passengers to Ottawa, Montreal and points east and with Gray Coach Lines, Limited for points north. Eastern Canadian Greyhound also operates local routes between cities on its main route. All routes which terminate or originate at the international border connect with routes of The Greyhound Corporation for service throughout the United States.

Western Canadian Greyhound operates the following main routes: between Vancouver and Calgary, between Vancouver and Winnipeg, between Jasper and Winnipeg, and between Edmonton and Coutts. Principal places along such routes are also provided with service. Connections with routes of The Greyhound Corporation are made at Vancouver, Winnipeg and certain points on the international border.

At the present time over 80% of the Company's route miles are over paved roads. The Canadian highway system is being improved by both provincial and Dominion efforts. As the highway system in Canada is improved and expanded, it is the intention of the Company to investigate new routes and to pursue a policy of expansion to the maximum extent consistent with profitable operations and quality of service.

As at December 31, 1957 the Company's subsidiaries owned 146 modern buses, all of the inter-city type, and had on order an additional 23 for delivery in 1958. In order to provide more efficient use of equipment, the Company has followed a policy of replacing its older buses with modern diesel equipment of greater seating capacity. The majority of the buses are less than four years old. Of the buses owned by the Company, 137 were manufactured by Motor Coach Industries Limited, following designs approved by The Greyhound Corporation, including the use of the new "Air-Suspension Ride" (air springs) in the more recent buses. It is presently anticipated that no additional financing will be needed to pay for buses presently on order for delivery in 1958. In addition to its owned equipment, Eastern Canadian Greyhound leases buses from The Greyhound Corporation. These are modern air conditioned "Scenicruisers" and "Highway Travelers" and are used in Eastern Canadian Greyhound's through service. The number of leased buses varies according to seasonal factors and in 1957 accounted for approximately 12% of the total bus miles operated by the Company.

Garages owned and operated at strategic points in Canada provide adequate facilities for servicing and repair. Terminals are owned and operated at 12 places. At other places terminals are owned by the

Company but are operated for the Company by a lessee. At still other places, terminal services are provided by others on a commission basis.

Manufacturing Operations

Motor Coach Industries Limited, located in Winnipeg, manufactures buses, bus parts and pole line hardware, and assembles aluminum window and door frames. Its wholly owned subsidiary, National Porcelain Limited located in Medicine Hat, Alberta, manufactures porcelain insulators. Most of the buses now being manufactured by Motor Coach Industries Limited are powered by General Motors diesel engines and have "Air-Suspension Ride". In 1957 about 67% of the buses manufactured by Motor Coach Industries Limited were sold to the Company's subsidiaries. Because of a high import duty the prices of such buses are considerably below the Canadian delivered prices for buses manufactured in the United States.

Government Regulations

The bus line operations of the Company's subsidiaries are subject to regulation by provincial regulatory agencies as to various matters including licenses, franchises, routes, tariffs and operating conditions. The Motor Vehicle Transport Act 1954 of Canada delegates to the Provincial regulatory agencies powers over the respective provincial portions of interprovincial and international bus line operations.

Fares

Although fares are subject to regulatory agencies in each province, basic bus rates are generally 3 cents per mile on short distance travel and 2.8 cents per mile on long distance travel. Because of excursions and charters which are necessary to meet competition, actual average rates are somewhat less. Applications for fare increases were made to certain regulatory agencies, and late in 1957 fare increases were granted by certain of these agencies.

Personnel and Labour Relations

The Company and its subsidiaries employ approximately 1,000 people. The majority of these employees are covered by collective bargaining agreements with respect to wages, hours, and working conditions. There have been no work stoppages on properties of the Company's subsidiaries since before World War II and labour relations are considered to be excellent. Benefit plans are operated for the welfare of employees, including a retirement plan and a group insurance plan. The officers of the Company consist of 4 of the officers of its subsidiaries and 2 of the officers of The Greyhound Corporation.

The Greyhound Corporation

The Greyhound Corporation was incorporated in the United States in 1926 to conduct motorbus operations and to hold securities of various transportation companies. From a relatively small bus operation in the Middle West, the Greyhound system has grown to be the largest inter-city bus operation in the world, furnishing a co-ordinated inter-city bus service in all 48 states of the United States, the District of Columbia, and extending into most of the Canadian provinces.

The growth of The Greyhound Corporation and its subsidiaries since 1938, the first year for which consolidated statistics are available, is shown by the following table:

	1938	1957*
Revenues	$ 49,826,784	$308,064,744
Net Income applicable to The Greyhound Corporation common stock	5,655,748	12,985,460
Net Current Assets	3,758,376	13,029,644
Stockholders' investment	33,807,425	111,532,216
Miles of routes in operation at end of year	51,657	99,896
Average number of employees	8,606	28,140

* Preliminary figures for the year ended December 31, 1957.

Its wholly-owned subsidiary, Greyhound Rent-A-Car, Inc. conducts an automobile leasing business, principally in the United States, and its wholly-owned subsidiary, Greyhound Post Houses, Inc., operates a chain of restaurants from coast to coast in the United States. Another subsidiary, Greyvan Lines, Inc., conducts an extensive moving van and warehouse storage business in the United States.

The broad background of experience and technical knowledge of The Greyhound Corporation in all phases of motorbus operations is expected to be of important assistance in the further development of Canadian operations.

Purpose of Issue and Application of Proceeds

The proceeds to be received by the Company from the sale of the Series A Debentures will be applied to the extent of $424,113 for the purchase of the assets of The Greyhound Buildings Limited, which will be voluntarily wound up, and the balance thereof, after payment of the expenses of issue, will be used for working capital, the purchase of buses and for general corporate purposes. The net proceeds to be received by the Company from the sale of the common shares will be lent without interest to Western Canadian Greyhound to apply on the payment of a note held by The Greyhound Corporation.

Capitalization

(Upon completion of present financing)

	Authorized	Outstanding
FUNDED DEBT:		
Real Estate Mortgage		$ 130,000
5½% Secured Convertible Sinking Fund Debentures, Series A Maturing March 15, 1978	$3,500,000 (1)	$3,500,000
CAPITAL:		
Common Shares without par value	2,400,000 shs. (2)	900,000 shs.

NOTES:

(1) Additional Secured Debentures may be issued subject to restrictions to be contained in the Trust Deed.

(2) Sufficient shares will be reserved for the conversion of the 5½% Secured Convertible Sinking Fund Debentures, Series A.

Common Share Dividends

The Directors have declared an initial quarterly dividend of 18¾ cents per share in respect of the 3 months ending June 30, 1958, and a dividend of 3 cents per share in respect of the period of 2 weeks ending on March 31, 1958, on the common shares of the Company, both payable on June 30, 1958 to holders of record as of June 14, 1958. The directors of the Company have also expressed their intention, if circumstances should from time to time warrant, and subject from time to time to factors usually considered by boards of directors at the time of declaring dividends, to declare and pay dividends quarterly on the common shares of the Company.

Interest Requirements

The maximum total annual interest requirements for the \$3,500,000 principal amount of Series A Debentures and \$130,000 principal amount of the existing real estate mortgage will amount to approximately \$196,969.

The Summary of Consolidated Earnings for the three months ended December 31, 1957 and Combined Earnings of Subsidiary Companies for the nine years and nine months ended September 30,1957 appears on page 6 of this prospectus. As computed from this summary the net earnings (after deducting all operating expenses and provision for depreciation, but before deducting income taxes and interest on funded debt), consolidated or combined as appropriate to the period, for the 10 fiscal years ended December 31, 1957 averaged \$1,672,347, or approximately 8.5 times the said maximum total annual interest requirements; for the 5 fiscal years ended December 31, 1957, these earnings averaged \$1,845,575, or approximately 9.4 times such interest requirements; and, for the year ended December 31, 1957 they amounted to \$2,299,028 or approximately 11.7 times the said maximum total annual interest requirements.

Assets

The attached pro forma balance sheet as at December 31, 1957, shows Consolidated Net Tangible Assets plus Purchased Intangible Property as follows:

Current Assets	\$4,945,421	
Less: Current liabilities (after deducting current maturity of real estate mortgage)	2,171,512	
Net Current Assets		\$2,773,909
Property, Plant and Equipment	\$8,906,650	
Less: Accumulated Depreciation	4,552,887	
		\$4,353,763
Intangible Property		1,456,148
Insurance Funds		226,700
		\$8,810,520
Less: Reserve for injuries and damages		347,332
Consolidated Net Tangible Assets plus Purchased Intangible Property		\$8,463,188

On the basis of the foregoing, the \$3,500,000 principal amount of Series A Debentures plus the \$130,000 principal amount of an existing real estate mortgage represents 42.9% of the total capitalization of the Company. The remaining 57.1% of the total capitalization is represented by the equity interest of the holders of the common shares.

Conversion

The Series A Debentures will be convertible at the option of the holders at any time up to 2:00 p.m. Mountain Standard Time on March 15, 1968 or the close of business on the business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid and non-assessable common shares of the Company at the following prices in lawful money of Canada per share, taking each Series A Debenture at the principal amount thereof without adjustments for interest thereon:

On or before March 15, 1963 .... \$11.50 per share

Thereafter and before 2:00 p.m. Mountain Standard Time March 15, 1968 .... \$13.50 per share.

The Trust Deed under which the Series A Debentures are to be issued will include provision for adjustment in the number of shares issuable pursuant to the conversion privilege attaching to the Series A Debentures in certain events including changes in the capital structure, the issue of stock dividends and the sale of shares by the Company at less than the current conversion price other than common shares sold to employees.

The Trust Deed will provide that no fraction of a common share will be deliverable upon the conversion of any Series A Debenture. The Company will adjust for fractions arising upon conversion of Series A Debentures by paying to the holders of the Series A Debentures being surrendered for conversion an amount in cash equal to the current market value of such fractions computed on the basis of the last sale of common shares of the Company on the Toronto Stock Exchange preceding the day on which the conversion takes place.

Sinking Fund and Redemption

The Company will pay to the Trustee by way of sinking fund for the Series A Debentures on March 15 in each of the years 1961 to 1977 inclusive a sum sufficient to retire \$125,000 principal amount of Series A Debentures. To the extent only of sinking fund moneys in the hands of the Trustee, the Series A Debentures may be redeemed by lot on 30 days' prior notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 2.3% of the principal amount to and including March 14, 1962; thereafter such premium to decrease 3/20 of 1% on March 15, 1962 and on each succeeding March 15 prior to March 15, 1977 and 1/20 of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable for sinking fund purposes without premium. The Company will reimburse the Trustee for all costs of redemption and operation of the sinking fund. The Company shall have the right to tender Series A Debentures purchased or redeemed by it or converted to the Trustee at the principal amount thereof in satisfaction in whole or in part of sinking fund payments.

Subject to the above provisions, Series A Debentures will be redeemable prior to maturity at the option of the Company in whole at any time or in part from time to time on not less than 30 days' notice at the principal amount plus accrued and unpaid interest to the date fixed for redemption plus a premium of 5½% of the principal amount to and including March 14, 1959; thereafter such premium to decrease progressively 3/10 of 1% on March 15, 1959 and on each succeeding March 15 prior to March 15, 1977, and 1/10 of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable without premium.

Certain Other Provisions of the Trust Deed

The Series A Debentures will be issued under and secured by a Trust Deed to be executed by the Company in favour of The Royal Trust Company, as Trustee, to be dated as of March 15, 1958 and to constitute in the opinion of Counsel (a) a first fixed and specific pledge and charge on all the outstanding shares in the capital stocks of Western Canadian Greyhound and Eastern Canadian Greyhound, and (b) a first floating charge on the undertaking and other property and assets of the Company, present and future, in all jurisdictions in Canada in which the Company now carries on its operations other than property effectively subjected to the specific pledge and charge. The first fixed and specific pledge and charge will also be expressed to cover after acquired shares of Western Canadian Greyhound and Eastern Canadian Greyhound, and the first floating charge will be expressed to cover all after acquired property and assets of the Company wherever situate.

The due payment of the principal, premium and interest of the Debentures will be guaranteed by all subsidiaries, present and future, other than The Greyhound Buildings Limited, which will be voluntarily wound up, and to support their guarantees Western Canadian Greyhound and Eastern Canadian Greyhound will give floating charges of the same nature as that of the Company mentioned above.

The Trust Deed will provide in certain events for the release of subsidiaries from their respective guarantees and floating charges, and for the release of shares from the first fixed and specific pledge and charge, all in the events and upon the conditions to be set forth therein.

The aforesaid floating charges until default shall in no way prevent the Company or such subsidiaries from dealing with the subject matter thereof in the ordinary course of business, or from giving security or securities on the subject matter of such respective floating charges to a bank or banks under the Bank Act of Canada or otherwise to secure current loans or from giving or assuming purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed. Save as aforesaid, neither the Company nor such subsidiaries shall make, give or create any mortgage, pledge, charge, assignment or any other security whether fixed or floating upon the subject matter of such floating charges or any part thereof ranking in priority to or pari passu with such floating charges.

In the Trust Deed the Company will covenant among other things, substantially to the effect that so long as any of the Series A Debentures are outstanding:

(1) it will not create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) ranking in priority to or pari passu with the Series A Debentures except additional debentures under the Trust Deed;

(2) it will not create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) having mandatory retirement provisions (by maturities, serial or otherwise and/or by sinking fund) calling for the retirement in any 12 months period prior to March 15, 1978 of more than 3.6% of the aggregate principal amount issued of such additional debentures or funded obligations of such issue, unless the annual sinking fund payments in respect of the Series A Debentures are increased to an equal percentage of the aggregate principal amount thereof originally issued; provided, however, that such increase shall not take effect until the March 15 next following the date when such proportionately greater payment on such additional debentures or other funded obligations is first made;

(3) it will not, nor will it permit any subsidiary to, issue any additional funded obligations (except for the purpose of refunding all the debentures then outstanding) unless and until it shall have delivered to the Trustee a report of the Company's auditors in form satisfactory to the Trustee evidencing:

  (a) that the consolidated net tangible assets plus the amount of purchased intangible property is at least two times the principal amount of consolidated funded obligations that will be outstanding after the issue of such additional funded obligations. Consolidated net tangible assets shall be computed from a consolidated balance sheet of the Company and all subsidiaries as of a date not more than 6 months prior to the issue of the additional funded obligations adjusted to give effect to issues or retirements of funded obligations subsequent to the date of the balance sheet inclusive of the additional funded obligations proposed to be issued and any retirement of funded obligations to be made out of the proceeds thereof;

  (b) that the average of the annual consolidated net earnings available for interest for the last two preceding fiscal years was at least equal to four times the annual interest requirements in respect of consolidated funded obligations to be outstanding immediately after the issue of the additional funded obligations and after the retirement of any funded obligations to be retired out of the proceeds of such additional funded obligations;

(4) it will not permit any subsidiary to borrow except from the Company or another subsidiary or to issue any funded obligations except to the Company or to guarantee any indebtedness or dividends or give any other guarantee on behalf of any person, firm or corporation other than the Company; provided that this covenant will not apply to borrowing by a subsidiary in the ordinary course of business from any bank or banks by way of current loan or to the giving of any security (except on fixed assets) to secure any such current loan nor to the giving or assumption by a subsidiary of purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed; provided further that this covenant will not apply to borrowing by a subsidiary for the purpose of refunding existing funded obligations or, in the case of any subsidiary which becomes a subsidiary after the date of the Trust Deed, for the purpose of refunding funded obligations existing at the date when such company became a subsidiary, in either case to the extent of the principal amount of such funded obligations outstanding immediately prior to the time of refunding;

(5) it will not make any distribution at any time:

  (a) when it is in arrear in payment of any interest, or

  (b) when it is in default of any sinking fund obligations, or

  (c) when the amount of undistributed consolidated net earnings available for distribution is not sufficient to provide for such distribution, or

  (d) if after giving effect to such distribution the consolidated net tangible assets plus the amount of purchased intangible property is less than two times the consolidated funded obligations

at the date of authorization of such distribution by the directors of the Company if such distribution is made within 60 days thereafter; or at the date such distribution is made if such distribution is made without prior authorization by the directors or more than 60 days after the date of such authorization.

Reference is made to the sub-joined Statutory Information for certain definitions to be included in the Trust Deed.

GREYHOUND LINES OF CANADA LTD. AND SUBSIDIARIES

Summary of Consolidated Earnings for the Three months ended December 31, 1957
and
Combined Earnings of Subsidiary Companies for the Nine years and Nine months ended September 30, 1957

The following summary of earnings represents the consolidated earnings of Greyhound Lines of Canada Ltd. and subsidiaries for the three months ended December 31, 1957 ($167,920) and the combined earnings of its subsidiary companies for the nine years and nine months ended September 30, 1957. Greyhound Lines of Canada Ltd. was incorporated September 11, 1957, and acquired the subsidiary companies September 30, 1957. The consolidated earnings and the combined earnings for the respective periods have been determined in a manner consistently applicable to both. During the period of nine years and nine months ended September 30, 1957, there was a minority interest in the ownership of Motor Coach Industries Limited, a subsidiary. The portion of net earnings applicable to minority interests have not been deducted from the combined net earnings shown in the following summary. The amount of such net earnings applicable to minority interests is presented in Note 5.

	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948
BUS OPERATIONS										
Operating revenues	$8,773,301	$8,060,837	$7,316,037	$7,301,187	$7,803,196	$8,321,247	$7,706,235	$7,466,594	$6,846,013	$5,736,427
Operating expenses, exclusive of depreciation, interest and income taxes	6,224,352	5,776,389	5,637,190	5,652,441	5,847,889	5,889,751	5,503,514	4,992,485	4,820,043	4,640,312
	$2,548,949	$2,284,448	$1,678,847	$1,648,746	$1,955,307	$2,431,496	$2,202,721	$2,474,109	$2,025,970	$1,096,115
EARNINGS FROM NON-BUS OPERATIONS before depreciation, interest and income taxes	505,081	373,593	469,789	348,226	283,564	212,451	179,380	200,218	231,409	201,162
EARNINGS BEFORE DEPRECIATION, INTEREST AND INCOME TAXES	$3,054,030	$2,658,041	$2,148,636	$1,996,972	$2,238,871	$2,643,947	$2,382,101	$2,674,327	$2,257,379	$1,297,277
LESS:										
Depreciation	$ 755,002	$ 551,856	$ 541,160	$ 517,693	$ 502,964	$ 643,541	$ 651,069	$ 783,221	$1,017,224	$ 564,383
Interest on long-term debt	7,118	10,194	13,163	23,161	27,262	38,163	55,386	98,177	124,656	111,413
Income taxes	1,091,464	963,281	728,542	719,047	752,994	1,061,127	920,639	709,687	436,068	231,468
	$1,853,584	$1,525,331	$1,282,865	$1,259,901	$1,283,220	$1,742,831	$1,627,094	$1,591,085	$1,577,948	$ 907,264
COMBINED NET EARNINGS	$1,200,446	$1,132,710	$ 865,771	$ 737,071	$ 955,651	$ 901,116	$ 755,007	$1,083,242	$ 679,431	$ 390,013

NOTES:

(1) The amounts included for Motor Coach Industries Limited for the year 1948 are for the fiscal year ended September 30, 1948. In 1949, the fiscal year of this company was changed to end on December 31; the figures for 1949 include the operations for the fifteen months ended December 31, 1949, with net earnings of $62,275.

(2) Motor Coach Industries Limited sells buses and bus repair parts to Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited. In the above summary, no adjustments have been made to company earnings in this connection. The intercompany earnings which have not been eliminated through depreciation charges are estimated not to exceed $85,000 in the aggregate for the ten-year period.

(3) Prior to July, 1949, intangible properties were being amortized at a rate of 2% a year by charges to earnings. Charges included in the above summary of combined earnings are: 1948—$32,850, 1949—$15,992.

(4) No adjustment has been made for the loss in revenue of certain operating rights in the United States of America which have been sold to The Greyhound Corporation for $6,242 as the loss in revenue is estimated to be small.

(5) The amounts of combined net earnings applicable to minority interests in Motor Coach Industries Limited, were:

1948	$76,070	1953	$28,642
1949	25,357	1954	38,504
1950	13,118	1955	63,602
1951	10,307	1956	50,603
1952	16,194	1957	68,302

To the Directors,
GREYHOUND LINES OF CANADA LTD.

We have examined the above summary of consolidated earnings of Greyhound Lines of Canada Ltd. and subsidiaries for the three months ended December 31, 1957 and the summary of combined earnings of its subsidiary companies for the nine years and nine months ended September 30, 1957. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have obtained all the information and explanations we have required and, in our opinion, the above summary and related notes present fairly the results of operations of the companies for the periods indicated.

Toronto, Ontario
February 28, 1958.

(Signed) GEORGE A. TOUCHE & CO.,
Chartered Accountants.

GREYHOUND LINES OF CANADA LTD.
AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet as at December 31, 1957

After giving effect in the pro forma balance sheet as at December 31, 1957 to the following transactions and proposed financing:

(1) The authorization of 2,400,000 common shares without nominal or par value by the subdivision and change of capital stock, confirmed by supplementary letters patent dated February 20, 1958, as follows:
  (a) the subdivision of the 450,000 common shares without nominal or par value, outstanding at December 31, 1957, into 720,000 common shares without nominal or par value, and
  (b) the change of the 200,000 authorized preferred shares into 630,000 authorized common shares without nominal or par value.

(2) The issue and sale of 180,000 common shares without nominal or par value for $1,656,000.

(3) The issue and sale of $3,500,000 principal amount of 5½% Secured Convertible Sinking Fund Debentures, Series A, dated March 15, 1958, due March 15, 1978, for $3,360,000.

(4) Provision for $25,000 estimated expenses relating to the issue of both common shares and Series A Debentures, of which $6,000, being the amount considered applicable to the common shares, has been charged against the common shares.

(5) Payment of the $3,350,000 principal amount of notes held by The Greyhound Corporation.

(6) The declaration, on February 18, 1958, of dividends out of distributable surplus of $.2175 per share on the common shares, payable June 30, 1958. The maximum dividend payable on the 900,000 common shares to be outstanding and the 304,348 common shares reserved for issue to satisfy the conversion privilege attaching to the Series A Debentures is $261,946.

Assets

		Actual	Pro Forma
CURRENT ASSETS			
Cash		$ 1,397,971	$ 3,038,971
Canadian government securities—at cost		25,000	25,000
Accounts and notes receivable	$ 813,568		
Less allowance for doubtful accounts	52,286		
		761,282	761,282
Accounts receivable from affiliated companies		29,648	29,648
Inventories—at lower of cost (first-in, first-out) or market		1,043,885	1,043,885
Prepaid taxes, insurance and other expenses		46,635	46,635
TOTAL CURRENT ASSETS		$ 3,304,421	$ 4,945,421
PROPERTY, PLANT AND EQUIPMENT			
Cost			
Land	$ 394,347		
Buildings	3,638,879		
Buses	3,980,088		
Machinery and equipment	893,336		
	$ 8,906,650		
Less accumulated depreciation	4,552,887		
		4,353,763	4,353,763
INTANGIBLE PROPERTY (Note B)		1,456,148	1,456,148
INSURANCE FUNDS—represented by cash and Canadian government securities (Note C)		226,700	226,700
DEFERRED CHARGES			
Debenture discount and expenses of issue		———	159,000
Other		50,860	50,860
		$ 9,391,892	$11,191,892

Liabilities

		Actual	Pro Forma
CURRENT LIABILITIES			
Demand bank loan—secured		$ 98,830	$ 98,830
Accounts payable			
Trade	$ 615,799		
Affiliated Companies	281,938		
		897,737	897,737
Dividends payable		———	261,946
Accrued expenses		76,248	76,248
Taxes on income		537,752	537,752
Unredeemed tickets		298,999	298,999
Current maturity of real estate mortgage		65,000	65,000
TOTAL CURRENT LIABILITIES		$ 1,974,566	$ 2,236,512
NOTES PAYABLE TO PARENT COMPANY		3,350,000	———
LONG TERM OBLIGATIONS			
5½% Secured Convertible Sinking Fund Debentures, Series A, dated March 15, 1958, due March 15, 1978, (this issue) (Note E)		———	3,500,000
Real Estate Mortgage—4⅛%, due September 1, 1959		65,000	65,000
RESERVE FOR INJURIES AND DAMAGES (Note C)		347,332	347,332
CAPITAL AND SURPLUS (Note D)			
Capital stock			
Preferred shares of the par value of $50 each, issuable in series			
Authorized—200,000 shares			
Issued and outstanding—none	$ ———		
Common shares without nominal or par value			
Authorized—1,500,000 shares			
Issued and outstanding—450,000 shares	3,000,000		
Distributable surplus	487,074		
Earned surplus	167,920		
		3,654,994	———
PRO FORMA CAPITAL AND SURPLUS (Note D)			
Capital stock			
Common shares without nominal or par value			
Authorized—2,400,000 shares			
Issued and outstanding—900,000 shares	$ 4,650,000		
Distributable surplus	225,128		
Earned surplus	167,920		
		———	5,043,048
		$ 9,391,892	$11,191,892

The report of the Company's auditors and the notes appearing on page 8 of this prospectus are an integral part of these balance sheets.

Approved on behalf of the Board.

(Signed) R. L. BORDEN, Director.

(Signed) C. P. MCTAGUE, Director.

GREYHOUND LINES OF CANADA LTD.
AND SUBSIDIARY COMPANIES

Explanatory Notes to Financial Statements as at December 31, 1957

A. Principles of consolidation

At December 31, 1957, Greyhound Lines of Canada Ltd. owned all the outstanding shares of Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited. Western Canadian Greyhound Lines, Ltd. owned all the outstanding shares of The Greyhound Buildings Limited and of Motor Coach Industries Limited. Motor Coach Industries Limited owned all the outstanding shares of National Porcelain Limited. All of the above companies have been consolidated in the financial statements relating to Greyhound Lines of Canada Ltd. and subsidiaries.

All intercompany eliminations have been made in arriving at the consolidated figures, except that no elimination has been made for the earnings on intercompany sales of buses and bus parts by Motor Coach Industries Limited to Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited. At December 31, 1957, it is estimated that intercompany profits which have not been eliminated do not exceed, in the aggregate, $85,000.

B. Intangible property

Intangible property is stated at cost and consists of the following:

Excess of cost of properties acquired over the values assigned to tangible property, less amortization	$1,418,712
Organization expense	8,578
Goodwill—in connection with the acquisition of Motor Coach Industries Limited	28,858
	$1,456,148

Prior to July, 1949, intangible properties were being amortized at the rate of 2% per year by charges to earnings. The total of such amortization charges to earnings prior to the discontinuance of this policy in July, 1949, amounted to $203,571.

C. Reserve for injuries and damages

Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited, subject to compliance with provincial regulations as to insurance, self-insure for public liability and property damage for accidents for primary limits and reinsure for their excess liability. The reserve for injuries and damages at December 31, 1957, consisted of liabilities of the companies for claims incurred in the amount of $79,219, plus $268,113, representing an unassigned reserve against possible future losses. This reserve has been entirely built up by charges against earnings. It is the policy of the companies to segregate cash and government securities in an amount not less than the amount of outstanding claims. Such segregated assets at December 31, 1957, amounted to $226,700.

D. Capital and surplus

The consideration for the 450,000 common shares issued to The Greyhound Corporation for the entire issued outstanding capital stock of Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited was $3,487,074, representing the underlying equity in all subsidiaries at September 30, 1957. Of this amount $3,000,000 was allocated to capital stock and $487,074 to distributable surplus under Section 12(10) of the Companies Act (Canada). The pro forma balance of distributable surplus of $225,128 is after providing for the maximum common share dividends of $261,946, payable June 30, 1958.

In connection with the proposed financing, a maximum of 304,348 common shares are reserved for issue to satisfy the conversion privilege attaching to the 5½% Secured Convertible Sinking Fund Debentures, Series A.

Provisions of the trust deed securing the Series A Debentures will prohibit the Company, so long as any Series A Debentures are outstanding, from declaring or paying any cash dividends on its common shares if, after giving effect to such distribution, the consolidated net tangible assets (as defined) plus the amount of purchased intangible property (as defined) is less than two times the consolidated funded obligations.

E. Sinking Fund

The trust deed securing the Series A Debentures will provide that the company will pay to the trustee by way of sinking fund for the Debentures on March 15 in each of the years 1961 to 1977 inclusive a sum sufficient to retire $125,000 principal amount of Series A Debentures.

Auditors' Report

To the Directors,
Greyhound Lines of Canada Ltd.

We have examined the consolidated balance sheet of Greyhound Lines of Canada Ltd. and subsidiaries as at December 31, 1957. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

We have obtained all the information and explanations which we have required and, in our opinion, the accompanying consolidated balance sheet, supplemented by Notes A to E, presents fairly the financial position of Greyhound Lines of Canada Ltd. and subsidiaries as at December 31, 1957, according to the best of our information and the explanations given to us and as shown by the books of the companies.

In our opinion, the pro forma consolidated balance sheet, supplemented by Notes A to E, presents fairly the financial position of Greyhound Lines of Canada Ltd and subsidiaries as at December 31, 1957, after giving effect to the transactions and proposed financing set out in the heading thereto.

Toronto, Ontario
February 28, 1958

(Signed) George A. Touche & Co.
Chartered Accountants.

STATUTORY INFORMATION

(a) Greyhound Lines of Canada Ltd., (hereinafter called the "Company") was incorporated under the laws of Canada by Letters Patent dated September 11, 1957. Supplementary Letters Patent respectively dated October 17, 1957 and February 20, 1958 were issued to the Company. The address of the head office of the Company is 222 First Avenue West, Calgary, Alberta.

(b) The full names, descriptions, present occupations and home addresses of the directors, officers and auditors of the Company are as follows:

Directors

Robert Lionel Borden	Executive	1321 Frontenac Avenue, Calgary, Alberta.
Orville Swan Caesar	Executive	Brinker and Dundee Roads, Barrington, Illinois, U.S.A.
Arthur Samuel Genet	Executive	541 Merrioaks Road, Barrington, Illinois, U.S.A.
Arthur Middleton Hill	Executive	2818 McGill Terrace, N.W., Washington, D.C., U.S.A.
Charles Patrick McTague	Queen's Counsel	2 Clarendon Avenue, Toronto, Ontario.
Clifford Griffith Schultz	Executive	3644 Richmond Street, Jacksonville, Florida, U.S.A.
Jules Robert Timmins	Investment Dealer	14 Sunnyside Avenue, Montreal, Quebec.
Herbert Galbraith Wellington	Investment Dealer	19 East 72nd Street, New York, N.Y., U.S.A.

Officers

Robert Lionel Borden	President	1321 Frontenac Avenue, Calgary, Alberta.
Harry Zoltok	Vice-President, Manufacturing	790 South Drive, Fort Garry, Winnipeg, Manitoba.
Robert Wallace Rebney	Vice-President and Treasurer	840 Martin Drive, Palatine, Illinois, U.S.A.
Charles Patrick McTague	Secretary	2 Clarendon Avenue, Toronto, Ontario.
Duncan Robertson	Comptroller and Asst. Secretary	240 Second Ave. North East, Calgary, Alberta.
Merrill Buffington	Assistant Secretary	730 Ashland Avenue, Wilmette, Ill., U.S.A.

Auditors

George A. Touche & Co., Chartered Accountants,
67 Yonge Street, Toronto, Ontario

Registrars and Transfer Agent

Montreal Trust Company at its offices in Toronto, Montreal, Winnipeg, Calgary and Vancouver is the Registrar and Transfer Agent for the Common Shares of the Company.

The Royal Trust Company at its offices in Toronto, Montreal, Winnipeg, Calgary and Vancouver will be Registrar for the 5½% Secured Convertible Sinking Fund Debentures, Series A of the Company (hereinafter called the "Series A Debentures").

(c) The Company is primarily engaged, through subsidiaries, in motorbus operations in Eastern and Western Canada.

(d) The authorized share capital of the Company consists of 2,400,000 common shares without nominal or par value of which 720,000 have been issued as fully paid and are outstanding and 180,000 are to be allotted and issued as fully paid against payment of the subscription price on or before March 18, 1958. Each common share carries the right to one vote at all meetings of shareholders.

(e) There are no bonds or debentures of the Company outstanding or proposed to be issued except the $3,500,000 principal amount of Series A Debentures hereby offered.

The Series A Debentures will be issued under and secured by a Trust Deed to be executed by the Company in favour of The Royal Trust Company, as Trustee, to be dated as of March 15, 1958 and to constitute in the opinion of counsel (a) a first fixed and specific pledge and charge on all the outstanding shares in the capital stocks of Western Canadian Greyhound Lines, Ltd. (herein called "Western Canadian Greyhound") and Eastern Canadian Greyhound Lines, Limited (herein called "Eastern Canadian Greyhound", and (b) a first floating charge on the undertaking and other property and assets of the Company, present and future, in all jurisdictions in Canada in which the Company now carries on its operations other than property effectively subjected to the specific pledge and charge. The first fixed and specific pledge and charge will also be expressed to cover after acquired shares of Western Canadian Greyhound and Eastern Canadian Greyhound, and the first floating charge will be expressed to cover all after acquired property and assets of the Company wherever situate.

The due payment of the principal, premium and interest of the Series A Debentures will be guaranteed by all subsidiaries, present and future, other than The Greyhound Buildings Limited, which will be voluntarily wound up, and to support their guarantees Western Canadian Greyhound and Eastern Canadian Greyhound will give floating charges of the same nature as that of the Company mentioned above.

The Trust Deed will provide in certain events for the release of subsidiaries from their respective guarantees and floating charges, and for the release of shares from the first fixed and specific pledge and charge, all in the events and upon the conditions to be set forth therein.

The aforesaid floating charges until default shall in no way prevent the Company or such subsidiaries from dealing with the subject matter thereof in the ordinary course of business, or from giving security or securities on the subject matter of such respective floating charges to a bank or banks under the Bank Act of Canada or otherwise to secure current loans or from giving or assuming purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed. Save as aforesaid, neither the Company nor such subsidiaries shall make, give or create any mortgage, pledge, charge, assignment or any other security whether fixed or floating upon the subject matter of such floating charges or any part thereof ranking in priority to or pari passu with such floating charges.

The Trust Deed will provide among other things that:

1. Series A Debentures will be redeemable prior to maturity at the option of the Company in whole at any time or in part from time to time on not less than 30 days' notice at the principal amount plus accrued and unpaid interest to the date fixed for redemption plus a premium of 5½% of the principal amount to and including March 14, 1959; thereafter such premium to decrease progressively 3/10ths of 1% on March 15, 1959 and on each succeeding March 15 prior to March 15, 1977, and 1/10th of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable without premium.

2. The Company will have the right to purchase Series A Debentures in the open market or by private contract at prices not exceeding the then current redemption price applicable to redemptions at the option of the Company plus costs of purchase (not to exceed ½ of 1%).

3. The Company will pay to the Trustee by way of sinking fund for the Series A Debentures on March 15 in each of the years 1961 to 1977 inclusive a sum sufficient to retire $125,000 principal amount of Series A Debentures. To the extent only of sinking fund moneys in the hands of the Trustee, the Series A Debentures may be redeemed by lot on 30 days' prior notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 2.3% of the principal amount to and including March 14, 1962; thereafter such premium to decrease 3/20 of 1% on March 15, 1962 and on each succeeding March 15 prior to March 15, 1977 and 1/20 of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable for sinking fund purposes without premium. The Company will reimburse the Trustee for all costs of redemption and operation of the sinking fund. The Company shall have the right to tender Series A Debentures purchased or redeemed by it or converted to the Trustee at the principal amount thereof in satisfaction in whole or in part of sinking fund payments.

4. The Series A Debentures will be convertible at the option of the holders at any time up to 2:00 p.m. Mountain Standard Time on March 15, 1968 or the close of business on the business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid and non-assessable common shares of the Company at the following prices in lawful money of Canada per share, taking each Series A Debenture at the principal amount thereof without adjustments for interest thereon;

   On or before March 15, 1963 .... $11.50 per share

   Thereafter and before 2:00 p.m. Mountain Standard Time March 15, 1968 . . $13.50 per share.

   The Trust Deed under which the Series A Debentures are to be issued will include provision for adjustment in the number of shares issuable pursuant to the conversion privilege attaching to the Series A Debentures in certain events including changes in the capital structure, the issue of stock dividends and the sale of shares by the Company at less than the current conversion price other than common shares sold to employees. Under the Trust Deed the Company will covenant among other things that it will maintain unissued sufficient shares of its capital stock to provide for the conversion of Series A Debentures. The Trust Deed will also contain a covenant by the Company that it will not while any of the Series A Debentures are outstanding:

   (i) consolidate, amalgamate or merge the company with any other company or corporation other than a wholly owned subsidiary of the Company; or

   (ii) sell or lease the whole or a substantial part of the assets of the Company to any other company or corporation other than a wholly owned subsidiary of the Company; or

   (iii) issue to its common shareholders pro rata rights to subscribe for additional shares;

   until it shall have given at least 30 days' public notice of its intention so to do before the record date for ascertaining the shareholders of the Company entitled to participate therein so that the Debentureholders shall be given an opportunity to convert their Series A Debentures and participate as shareholders in any such corporate change.

   The Trust Deed will provide that no fraction of a common share will be deliverable upon the conversion of any Series A Debenture. The Company will adjust for fractions arising upon conversion of Series A Debentures by paying to the holders of the Series A Debentures being surrendered for conversion an amount in cash equal to the current market value of such fractions computed on the basis of the last sale of common shares of the Company on the Toronto Stock Exchange preceding the day on which the conversion takes place.

5. So long as any of the Series A Debentures are outstanding, the Company will not:

   (i) create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) ranking in priority to or pari passu with the Series A Debentures except additional debentures under the Trust Deed;

   (ii) create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) having mandatory retirement provisions (by maturities, serial or otherwise and/or by sinking fund) calling for the retirement in any 12 months' period prior to March 15, 1978 of more than 3.6% of the aggregate principal amount issued of such additional debentures or funded obligations of such issue, unless the annual sinking fund payments in respect of the Series A Debentures are increased to an equal percentage of the aggregate principal amount thereof originally issued; provided, however, that such increase shall not take effect until the March 15 next following the date when such proportionately greater payment on such additional debentures or other funded obligations is first made;

(iii) issue, or permit any subsidiary to issue, any additional funded obligations (except for the purpose of refunding all the Series A Debentures then outstanding) unless and until it shall have delivered to the Trustee a report of the Company's auditors in form satisfactory to the Trustee evidencing:

(A) that the aggregate of consolidated net tangible assets plus the amount of purchased intangible property is at least two times the principal amount of all consolidated funded obligations that will be outstanding after the issue of such additional funded obligations. Consolidated net tangible assets shall be computed from a consolidated balance sheet of the Company and all subsidiaries as of a date not more than 6 months prior to the issue of the additional funded obligations adjusted to give effect to issues or retirements of funded obligations subsequent to the date of the balance sheet inclusive of the additional funded obligations proposed to be issued and any retirement of funded obligations to be made out of the proceeds thereof;

(B) that the average of the annual consolidated net earnings available for interest for the last two preceding fiscal years was at least equal to four times the annual interest requirements in respect of consolidated funded obligations to be outstanding immediately after the issue of the additional funded obligations and after the retirement of any funded obligations to be retired out of the proceeds of such additional funded obligations;

(iv) permit any subsidiary to borrow except from the Company or to issue any funded obligations except to the Company or another subsidiary or to guarantee any indebtedness or dividends or give any other guarantee on behalf of any person, firm or corporation other than the Company; provided that this covenant will not apply to borrowing by a subsidiary in the ordinary course of business from any bank or banks by way of current loan or to the giving of any security (except on fixed assets) to secure any such current loan nor to the giving or assumption by a subsidiary of purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed; provided further that this covenant will not apply to borrowing by a subsidiary for the purpose of refunding existing funded obligations or, in the case of any subsidiary which becomes a subsidiary after the date of the Trust Deed, for the purpose of refunding funded obligations existing at the date when such company became a subsidiary, in either case to the extent of the principal amount of such funded obligations outstanding immediately prior to the time of refunding;

(v) make any distribution at any time:

(A) when it is in arrear in payment of any interest, or

(B) when it is in default of any sinking fund obligation, or

(C) when the amount of undistributed consolidated net earnings available for distribution is not sufficient to provide for such distribution, or

(D) if after giving effect to such distribution the consolidated net tangible assets plus the amount of purchased intangible property are less than two times the consolidated funded obligations

at the date of authorization of such distribution by the Directors of the Company if such distribution is made within 60 days thereafter; or at the date such distribution is made if such distribution is made without prior authorization by the Directors or more than 60 days after the date of such authorization.

By the Trust Deed the following expressions will be defined substantially as follows:

"consolidated net earnings" for any specified period means the income for such period from all sources of the Company and subsidiaries computed on a consolidated basis in accordance with sound accounting practice after charging or making provision acceptable to the Company's auditors for (i) interest on funded obligations, (ii) amortization of discount and expense in respect of funded obligations, (iii) taxes on income or profits, computed on the basis of the amounts actually charged in the books of account against earnings for depreciation on depreciable properties, plant and equipment, whether or not the same amounts are charged in the determination of income tax or profits taxes payable, (iv) depreciation on depreciable properties, plant and equipment computed on the basis of the amount actually charged therefor in the books of account, (v) all other expenses of operation and administration, and (vi) minority interests in the earnings of subsidiaries.

"consolidated net earnings available for interest" for any specified period means the consolidated net earnings for such period of the Company and subsidiaries (but excluding from the computation thereof any gains or losses on the sale, disposal or revaluation of capital assets or investments if the net consolidated gain or loss exceeds $25,000) after adding back all amounts deducted in the computation of consolidated net earnings pursuant to subclauses (i), (ii) and (iii) of the preceding definition.

If the Company or any subsidiary shall have acquired, within or after the period for which consolidated net earnings available for interest is being determined, or will acquire in connection with the issuance of additional funded obligations in respect of which the computation is being made, properties which within six months prior to such acquisition were used or operated in a business similar to that in which they are or are to be used or operated by the Company or such subsidiary, then, in computing consolidated net earnings available for interest, the net earnings of such properties for the whole of such period may be included as if such properties had been owned by the Company or such subsidiary during the whole of such period.

"undistributed consolidated net earnings available for distribution" as at a specified date means:

(a) the algebraic sum of:

(i) $654,994 plus the amount of or deficit in consolidated net earnings for the period commencing January 1, 1958 and ending on the specified date computed on a consolidated basis of the Company (for the whole of the said period) and its subsidiaries which are such at the specified date (for the said period or for the respective portions thereof during which they were subsidiaries); less

(b) the sum, without duplication, of:

(ii) the amount, if any, by which the losses on the sales or other disposal of capital assets or investments of the Company and subsidiaries for the same period exceeds gains on sales or

disposal of capital assets if and to the extent that the same was not taken into account in computing consolidated net earnings; and

(iii) all distributions made or authorized by the Company after January 1, 1958 and prior to the specified date; and

(iv) any unpaid fixed cumulative dividends accrued to the specified date on any outstanding preferred shares of the Company and subsidiaries; and

(v) all payments or distributions to the Company's shareholders or any of them by way of dividend in cash or in specie but not a stock dividend;

all computed in accordance with sound accounting practice.

"current loan" means and includes any loan made in the usual course of business which is repayable on demand or which matures within 12 months after the date of the making or incurring of the same and includes any renewal of any loan which renewal is payable on demand or within 12 months after the making of such renewal.

"distribution" means:

(a) a payment or distribution by way of dividend in cash or in specie on the shares of the capital stock of the Company but not a dividend payable in stock of the Company;

(b) a payment or distribution to the shareholders of the Company by way of purchase, redemption or reduction of capital stock unless made out of the proceeds of an issue of shares by the Company made concurrently with or prior to such purchase, redemption or reduction; and

(c) a payment of tax by the Company on undistributed income under Section 105 of the Income Tax Act (Canada) or any section or provisions amending the said Section 105 or substituted therefor.

"equipment obligations" means and includes indebtedness represented by any chattel mortgage, lien, encumbrance or conditional sales agreement entered into by the Company or any subsidiary as part of or to finance the purchase price of any automotive or accessory equipment (herein called "equipment") such chattel mortgage, lien or encumbrance to be in respect only of the equipment then being purchased, or any lease of equipment for a term of more than 12 months entered into in connection with the leasing of any equipment not theretofore operated by the Company or any subsidiary, provided that the aggregate amount of the payments secured thereby or required to be made thereunder is not in excess of the cost or fair value of the equipment, whichever is the lesser, and provided further that "equipment obligations" includes any extensions and renewals thereof on the same equipment if the aggregate amount of the payments secured thereby or required to be made thereunder at the time of such extension or renewal is not increased.

"funded obligations" means any indebtedness and any equipment obligation the due date of payment of the principal amount of which is eighteen months or more after the date of the creation, issue or incurring thereof and any liability (contingent or otherwise) in respect of any guarantee by the Company and/or any subsidiary of such indebtedness of any person, firm or corporation other than the Company or a subsidiary or customers or suppliers in the ordinary course of business.

"consolidated funded obligations" means the aggregate amount of all funded obligations of the Company and its subsidiaries arrived at on a consolidated basis in accordance with sound accounting practice.

"building mortgage" means and includes any mortgage, lien or other encumbrance upon a contiguous parcel of real and immoveable property now or hereafter owned or leased by the Company or any subsidiary if such mortgage, lien or other encumbrance (a) is created or assumed in connection with, or within 2 years after, the construction, purchase or other acquisition by the Company or any subsidiary of buildings, machinery, fixtures or equipment of a permanent character installed on such property, and (b) provides or secures an amount not in excess of 66⅔% of the total cost calculated as hereinafter specified of such buildings, machinery, fixtures or equipment and of such property on which it is installed.

For the purposes of this definition, there shall not be included in the calculation of cost any amount or amounts in respect of (i) maintenance or repairs or any other expenditures not properly chargeable to capital account, (ii) any portion of such cost not paid in cash or satisfied by such mortgage, lien or other encumbrance or the proceeds thereof, or (iii) any expenditure or liability made or incurred more than 2 years preceding the date of the creation or assumption by the Company or such subsidiary of such mortgage, lien or encumbrance.

"purchase money mortgage" means and includes any mortgage, lien or other encumbrance upon property acquired by the Company or any subsidiary assumed or given back as part of the purchase price of such property, to provide or secure not in excess of 66⅔% of the cost of such property to the Company or such subsidiary, and includes any extensions and renewals thereof upon the same property provided that the principal amount of the indebtedness secured thereby at the time of such extension or renewal is not increased.

"subsidiary company" or "subsidiary" as used herein means (a) any corporation or company of which all the outstanding shares of each class of shares in its capital are for the time being owned by or held for the Company and/or any other corporation or company in like relation to the Company and includes any corporation or company in like relation to a subsidiary; and (b) any corporation or company of which more than 50% of the outstanding voting stock or shares, as to be defined, are for the time being owned by or held for the Company and/or any subsidiary of the Company if but only if the Directors of the Company by resolution determine that such corporation or company shall be deemed to be a subsidiary of the Company and only so long as more than 50% of the outstanding voting stock or shares of such corporation or company are owned by or held for the Company and/or any subsidiary of the Company. Any such resolution shall not be revocable and shall be conclusive and binding upon all parties in interest. If by reason of any such resolution any corporation or company (hereinafter called a "deemed subsidiary") is deemed to be a subsidiary of the Company then any corporation or company of which more than 50% of the outstanding voting stock or shares are or shall at any time be owned by or held for a deemed subsidiary and/or any other corporation or company in like relation to a deemed subsidiary shall be deemed to be a subsidiary of the Company and any other corporation or company in like relation to such a corporation or company shall also be deemed to be a subsidiary of the Company.

"consolidated net tangible assets" means the excess of the total of the following assets appearing on a consolidated balance sheet prepared in accordance with sound accounting practice:

(i) all current assets;
(ii) property, plant and equipment;
(iii) lands, interests in land, improvements, buildings, erections, constructions and equipment;
(iv) all investments including notes receivable;
(v) all other physical assets;
(vi) the refundable portion of any taxes;
(vii) any other assets which in accordance with sound accounting practice may properly be grouped as tangible assets;

over all liabilities appearing on such balance sheet other than liability for capital stock, surplus or reserves (to the extent not required to be treated as liabilities in accordance with sound accounting practice) and other than any contingent liabilities except to such extent, if any, as the directors in their discretion shall determine that special provision shall be made in the accounts for meeting such contingent liabilities and other than liabilities in respect of principal, premium (if any) and sinking fund instalments (if any) in respect of funded obligations. In ascertaining the value of consolidated net tangible assets for the purposes of this definition due allowance shall be made for minority interests, if any, in any subsidiary and the value of (i) all assets which in accordance with sound accounting practice may properly be classified as fixed assets shall be taken at cost to the Company or a subsidiary less the provision for depreciation and/or amortization, (ii) all investments including notes receivable for which a ready market exists may be taken at not more than market otherwise at cost to the Company or a subsidiary, and (iii) other assets shall be valued in accordance with the report of the Company's auditors; provided that, in computing consolidated net tangible assets for the purposes of the tests specified in clauses 5(iii)(A) and 5(v)(D) hereof, the value of any equipment lease shall be included to the extent that liability in respect of such lease is included in the calculation of the amount of funded obligations for the purposes of such tests.

"amount of purchased intangible property" shall mean and include the excess of the cost of:

(i) property acquired by the Company or any subsidiary at any time over the net values assigned by the Company or such subsidiary to the tangible property acquired as part of such transaction,

(ii) shares and securities of any company (if such company thereby becomes a subsidiary) acquired by the Company or any subsidiary over the values assigned to the net tangible assets of such company with due allowance for minority interests, if any;

provided that the amount thereof shall, for the purposes of this definition, be amortized at the rate of 5% of the original amount of such excess per year.

(f) Certain subsidiaries of the Company have outstanding $3,350,000 principal amount of unsecured Notes maturing December 30, 1959 all of which are held by The Greyhound Corporation. In addition, certain subsidiaries have outstanding a mortgage in the principal amount of $130,000 payable to the extent of $65,000 principal amount on September 1 in each of the years 1958 and 1959.

(g) No substantial indebtedness is to be created or assumed which is not shown in the pro forma consolidated balance sheet as at December 31, 1957 forming part of this Prospectus, to which reference is hereby made.

(h) The number of securities offered by this Prospectus and their correct descriptive titles and their issue price to the public and the terms thereof are as stated on pages A and B of this Prospectus, to which reference is hereby made.

(i) The estimated net proceeds to be derived from the sale by the Company of (i) the Series A Debentures is $3,360,000 and (ii) the common shares is $1,656,000 less, in each case, legal, audit and other expenses in connection with such issues estimated at $25,000.

(j) The proceeds to be received by the Company from the sale of the Series A Debentures will be applied to the extent of $424,113 for the purchase of the assets of The Greyhound Buildings Limited, which will be voluntarily wound up, and the balance thereof, after payment of the expenses of issue, will be used for working capital, the purchase of buses and for general corporate purposes. The net proceeds to be received by the Company from the sale of the common shares will be lent without interest to Western Canadian Greyhound to apply on the payment of a note held by The Greyhound Corporation.

(k) In the opinion of the directors no minimum amount must be raised by the issue of the Series A Debentures and the common shares in order to provide the sums or the balance of the sums required to be provided for the purchase price of any property purchased or to be purchased that is to be defrayed in whole or in part out of the proceeds of such issues or any commissions payable by the Company except as set out in paragraphs **(j)** and **(l)** hereof.

(l) By an agreement dated January 28, 1958 referred to in paragraph **(u)** hereof, the Company has agreed to sell and Gairdner, Son & Company Limited has agreed to purchase the said $3,500,000 principal amount of Series A Debentures and the said 180,000 common shares upon the terms and conditions set forth in the underwriting agreement for $96 per $100 principal amount and accrued interest in the case of the Series A Debentures and for $9.20 per share in the case of the common shares.

(m) The remuneration of the directors for their services in such capacity shall be on such basis and in such amount as the board of directors shall from time to time determine by resolution and shall be in addition to any other remuneration by way of salary or fees which may be paid to any officer, solicitor or counsel or employee of the Company who may also be a director of the Company. The board of directors may also from time to time by resolution grant special remuneration to any director in respect of special services undertaken by him outside his ordinary duties as director and may also from time to time by resolution advance or reimburse any expense which a director may incur in connection with the affairs of the Company or may grant a fixed amount in respect thereof.

(n) The Company was incorporated by Letters Patent dated September 11, 1957 and completed its first financial year on December 31, 1957. The aggregate remuneration paid by the Company to its directors during such year was nil, and to its officers who individually received remuneration in excess of $10,000 per annum was nil. The aggregate remuneration estimated to be paid or payable during the current financial year of the Company to its directors as such is nil, and to its officers who may individually be entitled to receive renumeration in excess of $10,000 per annum is nil. It is expected that such officers and directors will receive their remuneration from subsidiaries.

(o) No amount has been paid within the 2 years preceding the date hereof or is payable as a commission by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for common shares in or obligations of the Company. Reference is made, however, to paragraph **(l)** hereof.

(p) The estimated amount of preliminary expenses of the Company is $10,000 exclusive of the estimated expenses of the issue of the Series A Debentures and the common shares hereby offered as set out in paragraph **(i)** hereof.

(q) The only property which the Company has acquired or proposes to acquire at this time is the following:

(i) all of the outstanding shares of Western Canadian Greyhound and Eastern Canadian Greyhound which were acquired from The Greyhound Corporation, 5600 Jarvis Avenue, Chicago 31, Illinois, U.S.A. in exchange for 450,000 fully paid common shares of the Company as they were then constituted. By virtue of the Supplementary Letters Patent issued to the Company dated February 20, 1958 the said shares were divided into 720,000 fully paid common shares, and

(ii) all of the assets of The Greyhound Buildings Limited as referred to in paragraph **(j)** hereof, to which reference is hereby made.

(r) No securities have been issued or have been agreed to be issued as fully paid or partly paid up otherwise than in cash within 2 years preceding the date of this Prospectus, other than the 450,000 common shares issued to The Greyhound Corporation as referred to in paragraph **(q)** hereof, to which reference is hereby made.

(s) No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities hereby offered and no services have been within the 2 years preceding the date hereof or are now proposed to be paid for by securities of the Company except as set out in paragraph **(i)** hereof.

(t) Nothing has been paid within the 2 years preceding the date hereof or is intended to be paid to any promoter.

(u) No material contracts have been entered into within the 2 years preceding the date hereof other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company except:

(i) the agreement made September 18, 1957 between the Company and The Greyhound Corporation relating to the acquisition of the shares referred to in paragraph **(q)**(i) hereof;

(ii) the agreement made January 28, 1958 between the Company and Gairdner, Son & Company Limited referred to in paragraph **(l)** hereof;

(iii) the agreement made February 24, 1958 between the Company and The Greyhound Buildings Limited to purchase the assets referred to in paragraph **(q)** (ii) hereof.

Copies of the said agreements may be inspected at the head office of the Company, 222 First Avenue West, Calgary, Alberta, in ordinary business hours of any business day during the period of primary distribution of the securities hereby offered.

(v) No property has been acquired by the Company within the preceding 2 years or is proposed to be acquired by the Company in which any director has any interest.

(w) The Company has been carrying on business since September 16, 1957.

(x) $487,074 of the amount of the consideration received for the issue of the common shares of the Company has been set aside as distributable surplus.

(y) The Greyhound Corporation, 5600 Jarvis Avenue, Chicago 31, Illinois, U.S.A., is in a position to elect a majority of the directors of the Company.

(z) No securities of the Company are held in escrow.

(za) The Company has not paid any dividends on its shares since the date of its incorporation to the date of this Prospectus. However, the directors have declared an initial quarterly dividend of 18¾ cents per share in respect of the three months ending June 30, 1958, and a dividend of 3 cents per share in respect of the two weeks ending March 31, 1958, on the common shares of the Company, both payable on June 30, 1958, to holders of record as of June 14, 1958.

(zb) By Order of The Honourable The Chief Justice of Alberta dated February 19, 1958, made pursuant to the Companies Act (Canada), the signature of one of the directors of the Company, Clifford Griffith Schultz, on this Prospectus was dispensed with.

Dated February 28, 1958.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario), section 39 of The Securities Act, 1954 (Saskatchewan), section 13 of the Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

(Signed) R. L. Borden

(Signed)	O. S. Caesar A. S. Genet A. M. Hill C. P. McTague J. R. Timmins H. G. Wellington	}	by their Agent R. L. Borden

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario), section 39 of The Securities Act, 1954 (Saskatchewan), section 13 of the Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Underwriter

Gairdner, Son & Company Limited

by (Signed) J. F. Plewman

Director

The following includes the names of all individuals having more than a five per cent interest in Gairdner, Son & Company Limited: J. A. Gairdner, R. O. Bull, C. W. MacLean, J. S. Gairdner, G. Bray, L. N. Watt, J. D. Gibson, H. V. Shaw, J. F. Plewman and G. C. Watt.

DRAFT
February 27, 1958
Subject to change and correction.

Greyhound Lines of Canada Ltd.

(Incorporated under the laws of Canada)

$3,500,000

5½% Secured Convertible Sinking Fund Debentures, Series A

and

180,000 Common Shares

A copy of this prospectus has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act of Canada.

This prospectus is not, and under no circumstances is to be construed as, a public offering of any of these Debentures for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUE

$3,500,000

Greyhound Lines of Canada Ltd.

(Incorporated under the laws of Canada)

5½% Secured Convertible Sinking Fund Debentures, Series A

To be dated March 15, 1958 **To mature March 15, 1978**

Principal and half-yearly interest (March 15 and September 15) and redemption premium, if any, on the Series A Debentures will be payable in lawful money of Canada at any branch in Canada of the Company's bankers, at the holder's option. The Series A Debentures will be issued in coupon form registrable as to principal only in denominations of $500 and $1,000.

The Series A Debentures will be redeemable prior to maturity at the option of the Company in whole at any time or in part from time to time on not less than 30 days' notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 5½% of the principal amount to and including March 14, 1959; thereafter such premium to decrease progressively 3/10 of 1% of such principal amount on March 15, 1959 and on each succeeding March 15 prior to March 15, 1977 and to decrease 1/10 of 1% of such principal amount on March 15, 1977 on and after which date the Series A Debentures will be redeemable without premium. The Series A Debentures will be redeemable for sinking fund purposes by lot on 30 days' prior notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 2.3% of the principal amount to and including March 14, 1962; thereafter such premium to decrease progressively 3/20 of 1% of such principal amount on March 15, 1962 and on each succeeding March 15 prior to March 15, 1977 and to decrease 1/20 of 1% of such principal amount on March 15, 1977 on and after which date the Series A Debentures will be redeemable for sinking fund purposes without premium. The Company will have the right to purchase Series A Debentures in the open market or by private contract at prices not exceeding the then current redemption price applicable to redemptions at the option of the Company plus costs of purchase.

The Company will covenant to pay to the Trustee as and by way of a sinking fund for the Series A Debentures on or before March 15 in each of the years 1961 to 1977 inclusive, a sum sufficient to retire $125,000 principal amount of Series A Debentures. Reference is made to paragraph (**e**) of the statutory information in this prospectus for further particulars relating to the sinking fund.

Conversion Privilege

The Series A Debentures will be convertible at the option of the holders at any time up to 2:00 p.m. Mountain Standard Time on March 15, 1968 or the close of business on the business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid and non-assessable common shares of the Company at the following prices in lawful money of Canada per share taking each Debenture at the principal amount thereof without adjustment for interest thereon:

On or before March 15, 1963 .... $11.50 per share
Thereafter and before 2:00 p.m. Mountain Standard Time March 15, 1968 .... $13.50 per share.

Reference is made to page 10 of this prospectus for a summary of certain provisions relating to adjustments in the number of shares issuable pursuant to the Conversion Privilege in certain events.

Trustee: The Royal Trust Company

In the opinion of Counsel, these Debentures will be investments in which the Canadian and British Insurance Companies Act states that companies registered under Part III thereof may, without availing themselves for that purpose of the provisions of subsection (4) of Section 63 of the said Act, invest their funds.

We, as principals, offer these 5½% Secured Convertible Sinking Fund Debentures, Series A, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters on our behalf by Messrs. Blake, Cassels & Graydon, Toronto, and on behalf of the Company by Messrs. Chambers, Might, Saucier, Milvain, Peacock, Jones & Black, Calgary, on whose opinion as to security and other matters of local law, our counsel will rely.

Price: 100 plus accrued interest

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that Series A Debentures in interim bearer form will be available for delivery on or about March 18, 1958. Such interim Series A Debentures will be exchangeable for definitive Series A Debentures when available.

A copy of this prospectus has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act of Canada.

This prospectus is not, and under no circumstances is to be construed as, a public offering of any of these Shares for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUE

180,000 Common Shares

(without nominal or par value)

Greyhound Lines of Canada Ltd.

(Incorporated under the laws of Canada)

Transfer Agent and Registrar
Montreal Trust Company

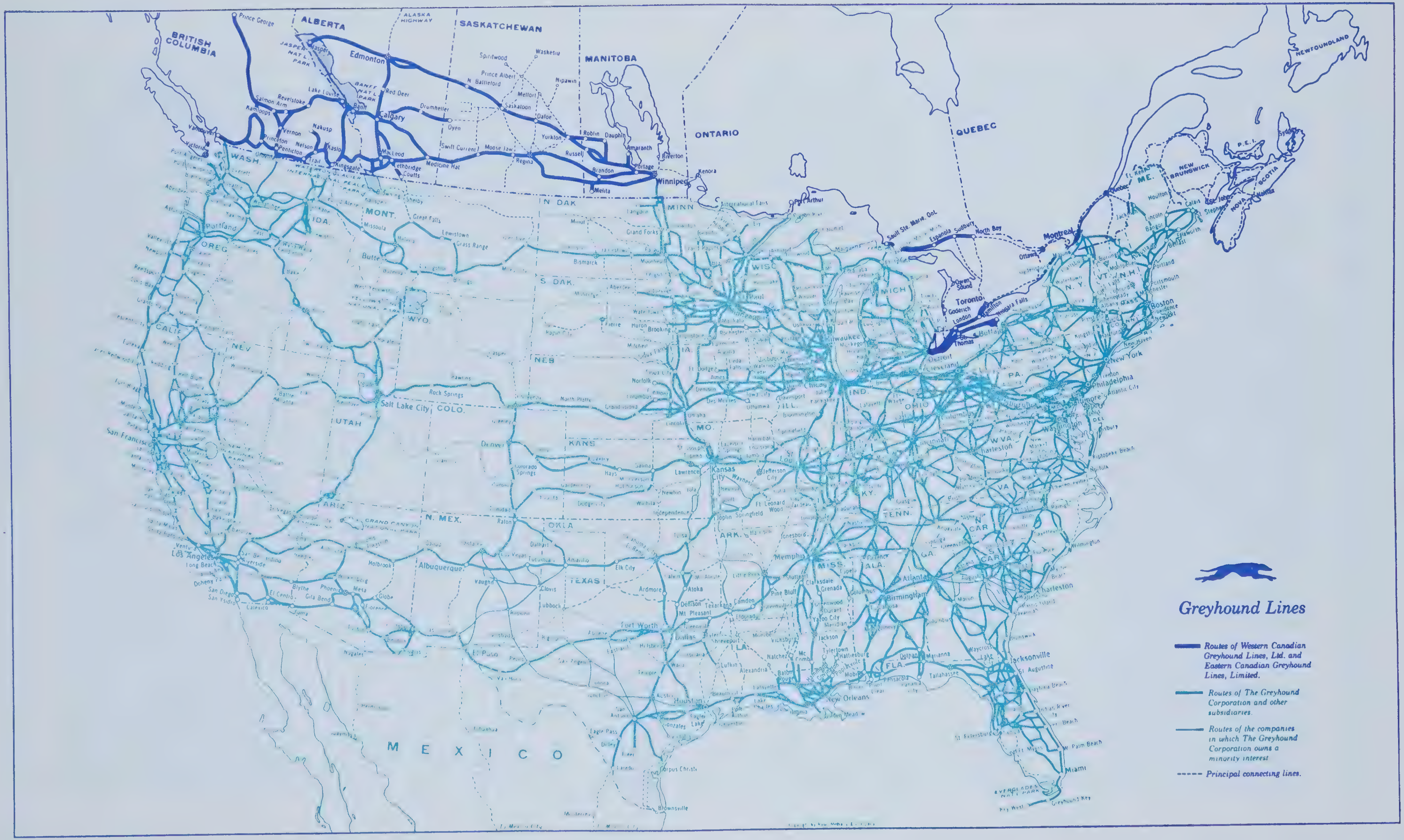
We, as principals, offer these 180,000 common shares without nominal or par value in the capital of Greyhound Lines of Canada Ltd. subject to prior sale and change in price if, as and when issued and accepted by us and subject to the approval of all legal matters by the Company's counsel, Messrs. Chambers, Might, Saucier, Milvain, Peacock, Jones & Black, Calgary, Alberta and by our counsel, Messrs. Blake, Cassels & Graydon, Toronto, Ontario.

Price: $10 per share

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that interim share certificates will be ready for delivery on or about March 18, 1958.

The Company has made application for the listing on the Toronto Stock Exchange of the common shares without nominal or par value in the capital of the Company to be outstanding upon completion of the proposed financing.



Greyhound Lines
Routes of Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited.
Routes of The Greyhound Corporation and other subsidiaries.
Routes of the companies in which The Greyhound Corporation owns a minority interest
Principal connecting lines.
BRITISH COLUMBIA
ALBERTA
SASKATCHEWAN
MANITOBA
ONTARIO
QUEBEC
NEWFOUNDLAND
NEW BRUNSWICK
NOVA SCOTIA
P.E.I.
ALASKA HIGHWAY
M E X I C O

Mr. R. L. Borden, President of Greyhound Lines of Canada Ltd., has supplied the following information in connection with the sale of the securities offered by this Prospectus:

Greyhound Lines of Canada Ltd.

Greyhound Lines of Canada Ltd. (hereinafter called the "Company") was incorporated under the laws of Canada by Letters Patent dated September 11, 1957 and shortly thereafter acquired from The Greyhound Corporation (of the United States) all of the outstanding shares of Eastern Canadian Greyhound Lines, Limited (hereinafter sometimes called "Eastern Canadian Greyhound") and Western Canadian Greyhound Lines, Ltd. (hereinafter sometimes called "Western Canadian Greyhound") in exchange for 450,000 common shares (720,000 common shares as now constituted) of the Company.

Eastern Canadian Greyhound was originally incorporated in Ontario in 1931 as Toronto Greyhound Lines, Limited and in 1944 its name was changed to Eastern Canadian Greyhound Lines, Limited.

Western Canadian Greyhound was incorporated in Alberta in 1940 and subsequently acquired the operations of various bus lines in Western Canada. In 1948 it purchased 62% of the outstanding shares of Motor Coach Industries Limited and now owns 100% of the outstanding shares. In the same year it incorporated a wholly-owned subsidiary, The Greyhound Buildings Limited, which owns a 10-story office and bus terminal building in downtown Calgary.

Business

The Company is primarily engaged, through subsidiaries, in motor bus operations in Western and Eastern Canada. Through Motor Coach Industries Limited, the Company is also engaged in the manufacture and sale of motor buses and bus parts and, to a lesser extent, pole line hardware and aluminum window and door frames. The Company and its subsidiaries conduct all of the Greyhound bus and other operations in Canada except for a few short bus routes connecting the United States system with certain Canadian lines and except for a car and truck rental business in Toronto.

Ownership

The Company has been formed for the primary purpose of affording Canadian investors an opportunity to share directly in the development of Greyhound operations in Canada. The common shares being offered by this Prospectus to investors in Canada represent 20% of the 900,000 common shares of the Company to be outstanding upon completion of this financing. The Series A Debentures being offered in Canada grant the right for a specified number of years to convert such Debentures into common shares of the Company. As a result of these offerings a total of approximately 40% of the outstanding voting shares of the Company would become available to Canadian investors, if all such Debentures were converted immediately. The balance of the voting shares of the Company, constituting the controlling interest, are owned by the Greyhound Corporation of the United States, and it is anticipated that this company will retain its controlling interest.

Bus Line Operations

The Company's bus line operations, primarily long distance routes, are conducted through Eastern Canadian Greyhound and Western Canadian Greyhound. Eastern Canadian Greyhound operates in Ontario while Western Canadian Greyhound operates in British Columbia, Alberta, Saskatchewan and Manitoba. These subsidiaries, together and through connections with associated Greyhound companies in the United States, provide a bus transportation system from Toronto to Vancouver via United States routes through Detroit, Chicago, and St. Paul. During 1957 over 316,668,000 passenger miles were travelled on the system operated by the Company's subsidiaries. These subsidiaries benefit from a substantial amount of interline traffic, both in Canada and to and from points in the United States. Total route mileage operated by the Company's subsidiaries was 7,308 miles as at December 31, 1957.

Eastern Canadian Greyhound operates three main routes in Ontario: between Toronto and Windsor, between Niagara Falls, Fort Erie, and Windsor, and between Sault Ste. Marie and North Bay. Service is also provided to principal places along such routes. At Toronto connections are made with Colonial Coach Lines Limited to provide service for passengers to Ottawa, Montreal and points east and with Gray Coach Lines, Limited for points north. Eastern Canadian Greyhound also operates local routes between cities on its main route. All routes which terminate or originate at the international border connect with routes of The Greyhound Corporation for service throughout the United States.

Western Canadian Greyhound operates the following main routes: between Vancouver and Calgary, between Vancouver and Winnipeg, between Jasper and Winnipeg, and between Edmonton and Coutts. Principal places along such routes are also provided with service. Connections with routes of The Greyhound Corporation are made at Vancouver, Winnipeg and certain points on the international border.

At the present time over 80% of the Company's route miles are over paved roads. The Canadian highway system is being improved by both provincial and Dominion efforts. As the highway system in Canada is improved and expanded, it is the intention of the Company to investigate new routes and to pursue a policy of expansion to the maximum extent consistent with profitable operations and quality of service.

As at December 31, 1957 the Company's subsidiaries owned 146 modern buses, all of the inter-city type, and had on order an additional 23 for delivery in 1958. In order to provide more efficient use of equipment, the Company has followed a policy of replacing its older buses with modern diesel equipment of greater seating capacity. The majority of the buses are less than four years old. Of the buses owned by the Company, 137 were manufactured by Motor Coach Industries Limited, following designs approved by The Greyhound Corporation, including the use of the new "Air-Suspension Ride" (air springs) in the more recent buses. It is presently anticipated that no additional financing will be needed to pay for buses presently on order for delivery in 1958. In addition to its owned equipment, Eastern Canadian Greyhound leases buses from The Greyhound Corporation. These are modern air conditioned "Scenicruisers" and "Highway Travelers" and are used in Eastern Canadian Greyhound's through service. The number of leased buses varies according to seasonal factors and in 1957 accounted for approximately 12% of the total bus miles operated by the Company.

Garages owned and operated at strategic points in Canada provide adequate facilities for servicing and repair. Terminals are owned and operated at 12 places. At other places terminals are owned by the

Company but are operated for the Company by a lessee. At still other places, terminal services are provided by others on a commission basis.

Manufacturing Operations

Motor Coach Industries Limited, located in Winnipeg, manufactures buses, bus parts and pole line hardware, and assembles aluminum window and door frames. Its wholly owned subsidiary, National Porcelain Limited located in Medicine Hat, Alberta, manufactures porcelain insulators. Most of the buses now being manufactured by Motor Coach Industries Limited are powered by General Motors diesel engines and have "Air-Suspension Ride". In 1957 about 67% of the buses manufactured by Motor Coach Industries Limited were sold to the Company's subsidiaries. Because of a high import duty the prices of such buses are considerably below the Canadian delivered prices for buses manufactured in the United States.

Government Regulations

The bus line operations of the Company's subsidiaries are subject to regulation by provincial regulatory agencies as to various matters including licenses, franchises, routes, tariffs and operating conditions. The Motor Vehicle Transport Act 1954 of Canada delegates to the Provincial regulatory agencies powers over the respective provincial portions of interprovincial and international bus line operations.

Fares

Although fares are subject to regulatory agencies in each province, basic bus rates are generally 3 cents per mile on short distance travel and 2.8 cents per mile on long distance travel. Because of excursions and charters which are necessary to meet competition, actual average rates are somewhat less. Applications for fare increases were made to certain regulatory agencies, and late in 1957 fare increases were granted by certain of these agencies.

Personnel and Labour Relations

The Company and its subsidiaries employ approximately 1,000 people. The majority of these employees are covered by collective bargaining agreements with respect to wages, hours, and working conditions. There have been no work stoppages on properties of the Company's subsidiaries since before World War II and labour relations are considered to be excellent. Benefit plans are operated for the welfare of employees, including a retirement plan and a group insurance plan. The officers of the Company consist of 4 of the officers of its subsidiaries and 2 of the officers of The Greyhound Corporation.

The Greyhound Corporation

The Greyhound Corporation was incorporated in the United States in 1926 to conduct motorbus operations and to hold securities of various transportation companies. From a relatively small bus operation in the Middle West, the Greyhound system has grown to be the largest inter-city bus operation in the world, furnishing a co-ordinated inter-city bus service in all 48 states of the United States, the District of Columbia, and extending into most of the Canadian provinces.

The growth of The Greyhound Corporation and its subsidiaries since 1938, the first year for which consolidated statistics are available, is shown by the following table:

	1938	1957*
Revenues	$ 49,826,784	$308,064,744
Net Income applicable to The Greyhound Corporation common stock	5,655,748	12,985,460
Net Current Assets	3,758,376	13,029,644
Stockholders' investment	33,807,425	111,532,216
Miles of routes in operation at end of year	51,657	99,896
Average number of employees	8,606	28,140

* Preliminary figures for the year ended December 31, 1957.

Its wholly-owned subsidiary, Greyhound Rent-A-Car, Inc. conducts an automobile leasing business, principally in the United States, and its wholly-owned subsidiary, Greyhound Post Houses, Inc., operates a chain of restaurants from coast to coast in the United States. Another subsidiary, Greyvan Lines, Inc., conducts an extensive moving van and warehouse storage business in the United States.

The broad background of experience and technical knowledge of The Greyhound Corporation in all phases of motorbus operations is expected to be of important assistance in the further development of Canadian operations.

Purpose of Issue and Application of Proceeds

The proceeds to be received by the Company from the sale of the Series A Debentures will be applied to the extent of $450,790 for the purchase of the assets of The Greyhound Buildings Limited, which will be voluntarily wound up, and the balance thereof, after payment of the expenses of issue, will be used for working capital, the purchase of buses and for general corporate purposes. The net proceeds to be received by the Company from the sale of the common shares will be lent without interest to Western Canadian Greyhound to apply on the payment of notes held by The Greyhound Corporation.

Capitalization

(Upon completion of present financing)

	Authorized	Outstanding
FUNDED DEBT:		
Real Estate Mortgage		$ 130,000
5½% Secured Convertible Sinking Fund Debentures, Series A Maturing March 15, 1978	$3,500,000 (1)	$3,500,000
CAPITAL:		
Common Shares without par value	2,400,000 shs. (2)	900,000 shs.

NOTES:

(1) Additional Secured Debentures may be issued subject to restrictions to be contained in the Trust Deed.

(2) Sufficient shares will be reserved for the conversion of the 5½% Secured Convertible Sinking Fund Debentures, Series A.

Common Share Dividends

The Directors have declared an initial quarterly dividend of 18¾ cents per share in respect of the 3 months ending June 30, 1958, and a dividend of 3 cents per share in respect of the period of 2 weeks ending on March 31, 1958, on the common shares of the Company, both payable on June 30, 1958 to holders of record as of June 14, 1958. The directors of the Company have also expressed their intention, if circumstances should from time to time warrant, and subject from time to time to factors usually considered by boards of directors at the time of declaring dividends, to declare and pay dividends quarterly on the common shares of the Company.

Interest Requirements

The maximum total annual interest requirements for the $3,500,000 principal amount of Series A Debentures and $130,000 principal amount of the existing real estate mortgage will amount to approximately $196,969.

The Summary of Consolidated Earnings for the three months ended December 31, 1957 and Combined Earnings of Subsidiary Companies for the nine years and nine months ended September 30,1957 appears on page 6 of this prospectus. As computed from this summary the net earnings (after deducting all operating expenses and provision for depreciation, but before deducting income taxes and interest on funded debt), consolidated or combined as appropriate to the period, for the 10 fiscal years ended December 31, 1957 averaged $1,672,347, or approximately 8.5 times the said maximum total annual interest requirements; for the 5 fiscal years ended December 31, 1957, these earnings averaged $1,845,575, or approximately 9.4 times such interest requirements; and, for the year ended December 31, 1957 they amounted to $2,299,028 or approximately 11.7 times the said maximum total annual interest requirements.

Assets

The attached pro forma balance sheet as at December 31, 1957, shows Consolidated Net Tangible Assets plus Purchased Intangible Property as follows:

Current Assets	$4,945,421	
Less: Current liabilities (after deducting current maturity of real estate mortgage)	2,171,512	
Net Current Assets		$2,773,909
Property, Plant and Equipment	$8,906,650	
Less: Accumulated Depreciation	4,552,887	
		$4,353,763
Intangible Property		1,456,148
Insurance Funds		226,700
		$8,810,520
Less: Reserve for injuries and damages		347,332
Consolidated Net Tangible Assets plus Purchased Intangible Property		$8,463,188

On the basis of the foregoing, the $3,500,000 principal amount of Series A Debentures plus the $130,000 principal amount of an existing real estate mortgage represents 42.9% of the total capitalization of the Company. The remaining 57.1% of the total capitalization is represented by the equity interest of the holders of the common shares.

Conversion

The Series A Debentures will be convertible at the option of the holders at any time up to 2:00 p.m. Mountain Standard Time on March 15, 1968 or the close of business on the business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid and non-assessable common shares of the Company at the following prices in lawful money of Canada per share, taking each Series A Debenture at the principal amount thereof without adjustments for interest thereon:

On or before March 15, 1963 .... $11.50 per share

Thereafter and before 2:00 p.m. Mountain Standard Time March 15, 1968 .... $13.50 per share.

The Trust Deed under which the Series A Debentures are to be issued will include provision for adjustment in the number of shares issuable pursuant to the conversion privilege attaching to the Series A Debentures in certain events including changes in the capital structure, the issue of stock dividends and the sale of shares by the Company at less than the current conversion price other than common shares sold to employees.

The Trust Deed will provide that no fraction of a common share will be deliverable upon the conversion of any Series A Debenture. The Company will adjust for fractions arising upon conversion of Series A Debentures by paying to the holders of the Series A Debentures being surrendered for conversion an amount in cash equal to the current market value of such fractions computed on the basis of the last sale of common shares of the Company on the Toronto Stock Exchange preceding the day on which the conversion takes place.

Sinking Fund and Redemption

The Company will pay to the Trustee by way of sinking fund for the Series A Debentures on March 15 in each of the years 1961 to 1977 inclusive a sum sufficient to retire $125,000 principal amount of Series A Debentures. To the extent only of sinking fund moneys in the hands of the Trustee, the Series A Debentures may be redeemed by lot on 30 days' prior notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 2.3% of the principal amount to and including March 14, 1962; thereafter such premium to decrease 3/20 of 1% on March 15, 1962 and on each succeeding March 15 prior to March 15, 1977 and 1/20 of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable for sinking fund purposes without premium. The Company will reimburse the Trustee for all costs of redemption and operation of the sinking fund. The Company shall have the right to tender Series A Debentures purchased or redeemed by it or converted to the Trustee at the principal amount thereof in satisfaction in whole or in part of sinking fund payments.

Subject to the above provisions, Series A Debentures will be redeemable prior to maturity at the option of the Company in whole at any time or in part from time to time on not less than 30 days' notice at the principal amount plus accrued and unpaid interest to the date fixed for redemption plus a premium of 5½% of the principal amount to and including March 14, 1959; thereafter such premium to decrease progressively 3/10 of 1% on March 15, 1959 and on each succeeding March 15 prior to March 15, 1977, and 1/10 of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable without premium.

Certain Other Provisions of the Trust Deed

The Series A Debentures will be issued under and secured by a Trust Deed to be executed by the Company in favour of The Royal Trust Company, as Trustee, to be dated as of March 15, 1958 and to constitute in the opinion of Counsel (a) a first fixed and specific pledge and charge on all the outstanding shares in the capital stocks of Western Canadian Greyhound and Eastern Canadian Greyhound, and (b) a first floating charge on the undertaking and other property and assets of the Company, present and future, in all jurisdictions in Canada in which the Company now carries on its operations other than property effectively subjected to the specific pledge and charge. The first fixed and specific pledge and charge will also be expressed to cover after acquired shares of Western Canadian Greyhound and Eastern Canadian Greyhound, and the first floating charge will be expressed to cover all after acquired property and assets of the Company wherever situate.

The due payment of the principal, premium and interest of the Debentures will be guaranteed by all subsidiaries, present and future, other than The Greyhound Buildings Limited, which will be voluntarily wound up, and to support their guarantees Western Canadian Greyhound and Eastern Canadian Greyhound will give floating charges of the same nature as that of the Company mentioned above.

The Trust Deed will provide in certain events for the release of subsidiaries from their respective guarantees and floating charges, and for the release of shares from the first fixed and specific pledge and charge, all in the events and upon the conditions to be set forth therein.

The aforesaid floating charges until default shall in no way prevent the Company or such subsidiaries from dealing with the subject matter thereof in the ordinary course of business, or from giving security or securities on the subject matter of such respective floating charges to a bank or banks under the Bank Act of Canada or otherwise to secure current loans or from giving or assuming purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed. Save as aforesaid, neither the Company nor such subsidiaries shall make, give or create any mortgage, pledge, charge, assignment or any other security whether fixed or floating upon the subject matter of such floating charges or any part thereof ranking in priority to or pari passu with such floating charges.

In the Trust Deed the Company will covenant among other things, substantially to the effect that so long as any of the Series A Debentures are outstanding:

(1) it will not create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) ranking in priority to or pari passu with the Series A Debentures except additional debentures under the Trust Deed;

(2) it will not create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) having mandatory retirement provisions (by maturities, serial or otherwise and/or by sinking fund) calling for the retirement in any 12 months period prior to March 15, 1978 of more than 3.6% of the aggregate principal amount issued of such additional debentures or funded obligations of such issue, unless the annual sinking fund payments in respect of the Series A Debentures are increased to an equal percentage of the aggregate principal amount thereof originally issued; provided, however, that such increase shall not take effect until the March 15 next following the date when such proportionately greater payment on such additional debentures or other funded obligations is first made;

(3) it will not issue any additional funded obligations (except for the purpose of refunding all the debentures then outstanding) unless and until it shall have delivered to the Trustee a report of the Company's auditors in form satisfactory to the Trustee evidencing:

   (a) that the consolidated net tangible assets plus the amount of purchased intangible property is at least two times the principal amount of consolidated funded obligations that will be outstanding after the issue of such additional funded obligations. Consolidated net tangible assets shall be computed from a consolidated balance sheet of the Company and all subsidiaries as of a date not more than 6 months prior to the issue of the additional funded obligations adjusted to give effect to issues or retirements of funded obligations subsequent to the date of the balance sheet inclusive of the additional funded obligations proposed to be issued and any retirement of funded obligations to be made out of the proceeds thereof;

   (b) that the average of the annual consolidated net earnings available for interest for the last two preceding fiscal years was at least equal to four times the annual interest requirements in respect of consolidated funded obligations to be outstanding immediately after the issue of the additional funded obligations and after the retirement of any funded obligations to be retired out of the proceeds of such additional funded obligations;

(4) it will not permit any subsidiary to borrow except from the Company or another subsidiary or to issue any funded obligations except to the Company or to guarantee any indebtedness or dividends or give any other guarantee on behalf of any person, firm or corporation other than the Company; provided that this covenant will not apply to borrowing by a subsidiary in the ordinary course of business from any bank or banks by way of current loan or to the giving of any security (except on fixed assets) to secure any such current loan nor to the giving or assumption by a subsidiary of purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed; provided further that this covenant will not apply to borrowing by a subsidiary for the purpose of refunding existing funded obligations or, in the case of any subsidiary which becomes a subsidiary after the date of the Trust Deed, for the purpose of refunding funded obligations existing at the date when such company became a subsidiary, in either case to the extent of the principal amount of such funded obligations outstanding immediately prior to the time of refunding;

(5) it will not make any distribution at any time:

   (a) when it is in arrear in payment of any interest, or
   (b) when it is in default of any sinking fund obligations, or
   (c) when the amount of undistributed consolidated net earnings available for distribution is not sufficient to provide for such distribution, or
   (d) if after giving effect to such distribution the consolidated net tangible assets plus the amount of purchased intangible property is less than two times the consolidated funded obligations

   at the date of authorization of such distribution by the directors of the Company if such distribution is made within 60 days thereafter; or at the date such distribution is made if such distribution is made without prior authorization by the directors or more than 60 days after the date of such authorization.

Reference is made to the sub-joined Statutory Information for certain definitions to be included in the Trust Deed.

GREYHOUND LINES OF CANADA LTD. AND SUBSIDIARIES

Summary of Consolidated Earnings for the Three months ended December 31, 1957 and Combined Earnings of Subsidiary Companies for the Nine years and Nine months ended September 30, 1957

The following summary of earnings represents the consolidated earnings of Greyhound Lines of Canada Ltd. and subsidiaries for the three months ended December 31, 1957 ($167,920) and the combined earnings of its subsidiary companies for the nine years and nine months ended September 30, 1957. Greyhound Lines of Canada Ltd. was incorporated September 11, 1957, and acquired the subsidiary companies September 30, 1957. The consolidated earnings and the combined earnings for the respective periods have been determined in a manner consistently applicable to both. During the period of nine years and nine months ended September 30, 1957, there was a minority interest in the ownership of Motor Coach Industries Limited, a subsidiary. The portion of net earnings applicable to minority interests have not been deducted from the combined net earnings shown in the following summary. The amount of such net earnings applicable to minority interests is presented in Note 5.

	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948
BUS OPERATIONS										
Operating revenues	$8,773,301	$8,060,837	$7,316,037	$7,301,187	$7,803,196	$8,321,247	$7,706,235	$7,466,594	$6,846,013	$5,736,427
Operating expenses, exclusive of depreciation, interest and income taxes	6,224,352	5,776,389	5,637,190	5,652,441	5,847,889	5,889,751	5,503,514	4,992,485	4,820,043	4,640,312
	$2,548,949	$2,284,448	$1,678,847	$1,648,746	$1,955,307	$2,431,496	$2,202,721	$2,474,109	$2,025,970	$1,096,115
EARNINGS FROM NON-BUS OPERATIONS before depreciation, interest and income taxes	505,081	373,593	469,789	348,226	283,564	212,451	179,380	200,218	231,409	201,162
EARNINGS BEFORE DEPRECIATION, INTEREST AND INCOME TAXES	$3,054,030	$2,658,041	$2,148,636	$1,996,972	$2,238,871	$2,643,947	$2,382,101	$2,674,327	$2,257,379	$1,297,277
LESS:										
Depreciation	$ 755,002	$ 551,856	$ 541,160	$ 517,693	$ 502,964	$ 643,541	$ 651,069	$ 783,221	$1,017,224	$ 564,383
Interest on long-term debt	7,118	10,194	13,163	23,161	27,262	38,163	55,386	98,177	124,656	111,413
Income taxes	1,091,464	963,281	728,542	719,047	752,994	1,061,127	920,639	709,687	436,068	231,468
	$1,853,584	$1,525,331	$1,282,865	$1,259,901	$1,283,220	$1,742,831	$1,627,094	$1,591,085	$1,577,948	$ 907,264
COMBINED NET EARNINGS	$1,200,446	$1,132,710	$ 865,771	$ 737,071	$ 955,651	$ 901,116	$ 755,007	$1,083,242	$ 679,431	$ 390,013

NOTES:

(1) The amounts included for Motor Coach Industries Limited for the year 1948 are for the fiscal year ended September 30, 1948. In 1949, the fiscal year of this company was changed to end on December 31; the figures for 1949 include the operations for the fifteen months ended December 31, 1949, with net earnings of $62,275.

(2) Motor Coach Industries Limited sells buses and bus repair parts to Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited. In the above summary, no adjustments have been made to company earnings in this connection. The intercompany earnings which have not been eliminated through depreciation charges are estimated not to exceed $85,000 in the aggregate for the ten-year period.

(3) Prior to July, 1949, intangible properties were being amortized at a rate of 2% a year by charges to earnings. Charges included in the above summary of combined earnings are: 1948—$32,850, 1949—$15,992.

(4) No adjustment has been made for the loss in revenue of certain operating rights in the United States of America which have been sold to The Greyhound Corporation for $6,242 as the loss in revenue is estimated to be small.

(5) The amounts of combined net earnings applicable to minority interests in Motor Coach Industries Limited, were:

1948	$76,070	1953	$28,642
1949	25,357	1954	38,504
1950	13,118	1955	63,602
1951	10,307	1956	50,603
1952	16,194	1957	68,302

To the Directors,
GREYHOUND LINES OF CANADA LTD.

We have examined the above summary of consolidated earnings of Greyhound Lines of Canada Ltd. and subsidiaries for the three months ended December 31, 1957 and the summary of combined earnings of its subsidiary companies for the nine years and nine months ended September 30, 1957. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have obtained all the information and explanations we have required and, in our opinion, the above summary and related notes present fairly the results of operations of the companies for the periods indicated.

Toronto, Ontario
February 28, 1958.

Chartered Accountants.

GREYHOUND LINES OF CANADA LTD.
AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet as at December 31, 1957

After giving effect in the pro forma balance sheet as at December 31, 1957 to the following transactions and proposed financing:

(1) The authorization of 2,400,000 common shares without nominal or par value by the subdivision and change of capital stock, confirmed by supplementary letters patent dated February 20, 1958, as follows:
   (a) the subdivision of the 450,000 common shares without nominal or par value, outstanding at December 31, 1957, into 720,000 common shares without nominal or par value, and
   (b) the change of the 200,000 authorized preferred shares into 630,000 authorized common shares without nominal or par value.

(2) The issue and sale of 180,000 common shares without nominal or par value for $1,656,000.

(3) The issue and sale of $3,500,000 principal amount of 5½% Secured Convertible Sinking Fund Debentures, Series A, dated March 15, 1958, due March 15, 1978, for $3,360,000.

(4) Provision for $25,000 estimated expenses relating to the issue of both common shares and Series A Debentures, of which $6,000, being the amount considered applicable to the common shares, has been charged against the common shares.

(5) Payment of the $3,350,000 principal amount of notes held by The Greyhound Corporation.

(6) The declaration, on February 18, 1958, of dividends out of distributable surplus of $.2175 per share on the common shares, payable June 30, 1958. The maximum dividend payable on the 900,000 common shares to be outstanding and the 304,348 common shares reserved for issue to satisfy the conversion privilege attaching to the Series A Debentures is $261,946.

Assets

		Actual	Pro Forma
CURRENT ASSETS			
Cash		$ 1,397,971	$ 3,038,971
Canadian government securities—at cost		25,000	25,000
Accounts and notes receivable	$ 813,568		
Less allowance for doubtful accounts	52,286		
		761,282	761,282
Accounts receivable from affiliated companies		29,648	29,648
Inventories—at lower of cost (first-in, first-out) or market		1,043,885	1,043,885
Prepaid taxes, insurance and other expenses		46,635	46,635
TOTAL CURRENT ASSETS		$ 3,304,421	$ 4,945,421
PROPERTY, PLANT AND EQUIPMENT			
Cost			
Land	$ 394,347		
Buildings	3,638,879		
Buses	3,980,088		
Machinery and equipment	893,336		
	$ 8,906,650		
Less accumulated depreciation	4,552,887		
		4,353,763	4,353,763
INTANGIBLE PROPERTY (Note B)		1,456,148	1,456,148
INSURANCE FUNDS—represented by cash and Canadian government securities (Note C)		226,700	226,700
DEFERRED CHARGES			
Debenture discount and expenses of issue		——	159,000
Other		50,860	50,860
		$ 9,391,892	$11,191,892

Liabilities

		Actual	Pro Forma
CURRENT LIABILITIES			
Demand bank loan—secured		$ 98,830	$ 98,830
Accounts payable			
Trade	$ 615,799		
Affiliated Companies	281,938		
		897,737	897,737
Dividends payable		——	261,946
Accrued expenses		76,248	76,248
Taxes on income		537,752	537,752
Unredeemed tickets		298,999	298,999
Current maturity of real estate mortgage		65,000	65,000
TOTAL CURRENT LIABILITIES		$ 1,974,566	$ 2,236,512
NOTES PAYABLE TO PARENT COMPANY		3,350,000	——
LONG TERM OBLIGATIONS			
5½% Secured Convertible Sinking Fund Debentures, Series A, dated March 15, 1958, due March 15, 1978, (this issue) (Note E)		——	3,500,000
Real Estate Mortgage—4⅛%, due September 1, 1959		65,000	65,000
RESERVE FOR INJURIES AND DAMAGES (Note C)		347,332	347,332
CAPITAL AND SURPLUS (Note D)			
Capital stock			
Preferred shares of the par value of $50 each, issuable in series			
Authorized—200,000 shares			
Issued and outstanding—none	$ ——		
Common shares without nominal or par value			
Authorized—1,500,000 shares			
Issued and outstanding—450,000 shares	3,000,000		
Distributable surplus	487,074		
Earned surplus	167,920		
		3,654,994	——
PRO FORMA CAPITAL AND SURPLUS (Note D)			
Capital stock			
Common shares without nominal or par value			
Authorized—2,400,000 shares			
Issued and outstanding—900,000 shares	$ 4,650,000		
Distributable surplus	225,128		
Earned surplus	167,920		
		——	5,043,048
		$ 9,391,892	$11,191,892

The report of the Company's auditors and the notes appearing on page 8 of this prospectus are an integral part of these balance sheets.

Approved on behalf of the Board.

Director.

Director.

GREYHOUND LINES OF CANADA LTD.
AND SUBSIDIARY COMPANIES

Explanatory Notes to Financial Statements as at December 31, 1957

A. Principles of consolidation

At December 31, 1957, Greyhound Lines of Canada Ltd. owned all the outstanding shares of Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited. Western Canadian Greyhound Lines, Ltd. owned all the outstanding shares of The Greyhound Buildings Limited and of Motor Coach Industries Limited. Motor Coach Industries Limited owned all the outstanding shares of National Porcelain Limited. All of the above companies have been consolidated in the financial statements relating to Greyhound Lines of Canada Ltd. and subsidiaries.

All intercompany eliminations have been made in arriving at the consolidated figures, except that no elimination has been made for the earnings on intercompany sales of buses and bus parts by Motor Coach Industries Limited to Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited. At December 31, 1957, it is estimated that intercompany profits which have not been eliminated do not exceed, in the aggregate, $85,000.

B. Intangible property

Intangible property is stated at cost and consists of the following:

Excess of cost of properties acquired over the values assigned to tangible property, less amortization	$1,418,712
Organization expense	8,578
Goodwill—in connection with the acquisition of Motor Coach Industries Limited	28,858
	$1,456,148

Prior to July, 1949, intangible properties were being amortized at the rate of 2% per year by charges to earnings. The total of such amortization charges to earnings prior to the discontinuance of this policy in July, 1949, amounted to $203,571.

C. Reserve for injuries and damages

Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited, subject to compliance with provincial regulations as to insurance, self-insure for public liability and property damage for accidents for primary limits and reinsure for their excess liability. The reserve for injuries and damages at December 31, 1957, consisted of liabilities of the companies for claims incurred in the amount of $79,219, plus $268,113, representing an unassigned reserve against possible future losses. This reserve has been entirely built up by charges against earnings. It is the policy of the companies to segregate cash and government securities in an amount not less than the amount of outstanding claims. Such segregated assets at December 31, 1957, amounted to $226,700.

D. Capital and surplus

The consideration for the 450,000 common shares issued to The Greyhound Corporation for the entire issued outstanding capital stock of Western Canadian Greyhound Lines, Ltd. and Eastern Canadian Greyhound Lines, Limited was $3,487,074, representing the underlying equity in all subsidiaries at September 30, 1957. Of this amount $3,000,000 was allocated to capital stock and $487,074 to distributable surplus under Section 12(10) of the Companies Act (Canada). The pro forma balance of distributable surplus of $225,128 is after providing for the maximum common share dividends of $261,946, payable June 30, 1958.

In connection with the proposed financing, a maximum of 304,348 common shares are reserved for issue to satisfy the conversion privilege attaching to the 5½% Secured Convertible Sinking Fund Debentures, Series A.

Provisions of the trust deed securing the Series A Debentures will prohibit the Company, so long as any Series A Debentures are outstanding, from declaring or paying any cash dividends on its common shares if, after giving effect to such distribution, the consolidated net tangible assets (as defined) plus the amount of purchased intangible property (as defined) is less than two times the consolidated funded obligations.

E. Sinking Fund

The trust deed securing the Series A Debentures will provide that the company will pay to the trustee by way of sinking fund for the Debentures on March 15 in each of the years 1961 to 1977 inclusive a sum sufficient to retire $125,000 principal amount of Series A Debentures.

Auditors' Report

To the Directors,
Greyhound Lines of Canada Ltd.

We have examined the consolidated balance sheet of Greyhound Lines of Canada Ltd. and subsidiaries as at December 31, 1957. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

We have obtained all the information and explanations which we have required and, in our opinion, the accompanying consolidated balance sheet, supplemented by Notes A to E, presents fairly the financial position of Greyhound Lines of Canada Ltd. and subsidiaries as at December 31, 1957, according to the best of our information and the explanations given to us and as shown by the books of the companies.

In our opinion, the pro forma consolidated balance sheet, supplemented by Notes A to E, presents fairly the financial position of Greyhound Lines of Canada Ltd and subsidiaries as at December 31, 1957, after giving effect to the transactions and proposed financing set out in the heading thereto.

Toronto, Ontario
February 28, 1958

Chartered Accountants.

STATUTORY INFORMATION

(**a**) Greyhound Lines of Canada Ltd., (hereinafter called the "Company") was incorporated under the laws of Canada by Letters Patent dated September 11, 1957. Supplementary Letters Patent respectively dated October 17, 1957 and February 20, 1958 were issued to the Company. The address of the head office of the Company is 222 First Avenue West, Calgary, Alberta.

(**b**) The full names, descriptions, present occupations and home addresses of the directors, officers and auditors of the Company are as follows:

Directors

Robert Lionel Borden	Executive	1321 Frontenac Avenue, Calgary, Alberta.
Orville Swan Caesar	Executive	Brinker and Dundee Roads, Barrington, Illinois, U.S.A.
Arthur Samuel Genet	Executive	541 Merrioaks Road, Barrington, Illinois, U.S.A.
Arthur Middleton Hill	Executive	2818 McGill Terrace, N.W., Washington, D.C., U.S.A.
Charles Patrick McTague	Queen's Counsel	2 Clarendon Avenue, Toronto, Ontario.
Clifford Griffith Schultz	Executive	3644 Richmond Street, Jacksonville, Florida, U.S.A.
Jules Robert Timmins	Investment Dealer	14 Sunnyside Avenue, Montreal, Quebec.
Herbert Galbraith Wellington	Investment Dealer	19 East 72nd Street, New York, N.Y., U.S.A.

Officers

Robert Lionel Borden	President	1321 Frontenac Avenue, Calgary, Alberta.
Harry Zoltok	Vice-President, Manufacturing	790 South Drive, Fort Garry, Winnipeg, Manitoba.
Robert Wallace Rebney	Vice-President and Treasurer	840 Martin Drive, Palatine, Illinois, U.S.A.
Charles Patrick McTague	Secretary	2 Clarendon Avenue, Toronto, Ontario.
Duncan Robertson	Comptroller and Asst. Secretary	240 Second Ave. North East, Calgary, Alberta.
Merrill Buffington	Assistant Secretary	730 Ashland Avenue, Wilmette, Ill., U.S.A.

Auditors

George A. Touche & Co., Chartered Accountants,
67 Yonge Street, Toronto, Ontario

Registrars and Transfer Agent

Montreal Trust Company at its offices in Toronto, Montreal, Winnipeg, Calgary and Vancouver is the Registrar and Transfer Agent for the Common Shares of the Company.

The Royal Trust Company at its offices in Toronto, Montreal, Winnipeg, Calgary and Vancouver will be Registrar for the 5½% Secured Convertible Sinking Fund Debentures, Series A of the Company (hereinafter called the "Series A Debentures").

(**c**) The Company is primarily engaged, through subsidiaries, in motorbus operations in Eastern and Western Canada.

(**d**) The authorized share capital of the Company consists of 2,400,000 common shares without nominal or par value of which 720,000 have been issued as fully paid and are outstanding and 180,000 are to be allotted and issued as fully paid against payment of the subscription price on or before March 18, 1958. Each common share carries the right to one vote at all meetings of shareholders.

(**e**) There are no bonds or debentures of the Company outstanding or proposed to be issued except the $3,500,000 principal amount of Series A Debentures hereby offered.

The Series A Debentures will be issued under and secured by a Trust Deed to be executed by the Company in favour of The Royal Trust Company, as Trustee, to be dated as of March 15, 1958 and to constitute in the opinion of counsel (a) a first fixed and specific pledge and charge on all the outstanding shares in the capital stocks of Western Canadian Greyhound Lines, Ltd. (herein called "Western Canadian Greyhound") and Eastern Canadian Greyhound Lines, Limited (herein called "Eastern Canadian Greyhound", and (b) a first floating charge on the undertaking and other property and assets of the Company, present and future, in all jurisdictions in Canada in which the Company now carries on its operations other than property effectively subjected to the specific pledge and charge. The first fixed and specific pledge and charge will also be expressed to cover after acquired shares of Western Canadian Greyhound and Eastern Canadian Greyhound, and the first floating charge will be expressed to cover all after acquired property and assets of the Company wherever situate.

The due payment of the principal, premium and interest of the Series A Debentures will be guaranteed by all subsidiaries, present and future, other than The Greyhound Buildings Limited, which will be voluntarily wound up, and to support their guarantees Western Canadian Greyhound and Eastern Canadian Greyhound will give floating charges of the same nature as that of the Company mentioned above.

The Trust Deed will provide in certain events for the release of subsidiaries from their respective guarantees and floating charges, and for the release of shares from the first fixed and specific pledge and charge, all in the events and upon the conditions to be set forth therein.

The aforesaid floating charges until default shall in no way prevent the Company or such subsidiaries from dealing with the subject matter thereof in the ordinary course of business, or from giving security or securities on the subject matter of such respective floating charges to a bank or banks under the Bank Act of Canada or otherwise to secure current loans or from giving or assuming purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed. Save as aforesaid, neither the Company nor such subsidiaries shall make, give or create any mortgage, pledge, charge, assignment or any other security whether fixed or floating upon the subject matter of such floating charges or any part thereof ranking in priority to or pari passu with such floating charges.

The Trust Deed will provide among other things that:

1. Series A Debentures will be redeemable prior to maturity at the option of the Company in whole at any time or in part from time to time on not less than 30 days' notice at the principal amount plus accrued and unpaid interest to the date fixed for redemption plus a premium of 5½% of the principal amount to and including March 14, 1959; thereafter such premium to decrease progressively 3/10ths of 1% on March 15, 1959 and on each succeeding March 15 prior to March 15, 1977, and 1/10th of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable without premium.

2. The Company will have the right to purchase Series A Debentures in the open market or by private contract at prices not exceeding the then current redemption price applicable to redemptions at the option of the Company plus costs of purchase (not to exceed ½ of 1%).

3. The Company will pay to the Trustee by way of sinking fund for the Series A Debentures on March 15 in each of the years 1961 to 1977 inclusive a sum sufficient to retire $125,000 principal amount of Series A Debentures. To the extent only of sinking fund moneys in the hands of the Trustee, the Series A Debentures may be redeemed by lot on 30 days' prior notice at the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption plus a premium of 2.3% of the principal amount to and including March 14, 1962; thereafter such premium to decrease 3/20 of 1% on March 15, 1962 and on each succeeding March 15 prior to March 15, 1977 and 1/20 of 1% on March 15, 1977, on and after which date the Series A Debentures will be redeemable for sinking fund purposes without premium. The Company will reimburse the Trustee for all costs of redemption and operation of the sinking fund. The Company shall have the right to tender Series A Debentures purchased or redeemed by it or converted to the Trustee at the principal amount thereof in satisfaction in whole or in part of sinking fund payments.

4. The Series A Debentures will be convertible at the option of the holders at any time up to 2:00 p.m. Mountain Standard Time on March 15, 1968 or the close of business on the business day immediately preceding the date fixed for redemption, whichever is earlier, into fully paid and non-assessable common shares of the Company at the following prices in lawful money of Canada per share, taking each Series A Debenture at the principal amount thereof without adjustments for interest thereon;

   On or before March 15, 1963 . . . . $11.50 per share
   Thereafter and before 2:00 p.m. Mountain Standard Time March 15, 1968 . . $13.50 per share.

   The Trust Deed under which the Series A Debentures are to be issued will include provision for adjustment in the number of shares issuable pursuant to the conversion privilege attaching to the Series A Debentures in certain events including changes in the capital structure, the issue of stock dividends and the sale of shares by the Company at less than the current conversion price other than common shares sold to employees. Under the Trust Deed the Company will covenant among other things that it will maintain unissued sufficient shares of its capital stock to provide for the conversion of Series A Debentures. The Trust Deed will also contain a covenant by the Company that it will not while any of the Series A Debentures are outstanding:

   (i) consolidate, amalgamate or merge the company with any other company or corporation other than a wholly owned subsidiary of the Company; or

   (ii) sell or lease the whole or a substantial part of the assets of the Company to any other company or corporation other than a wholly owned subsidiary of the Company; or

   (iii) issue to its common shareholders pro rata rights to subscribe for additional shares;

   until it shall have given at least 30 days' public notice of its intention so to do before the record date for ascertaining the shareholders of the Company entitled to participate therein so that the Debentureholders shall be given an opportunity to convert their Series A Debentures and participate as shareholders in any such corporate change.

   The Trust Deed will provide that no fraction of a common share will be deliverable upon the conversion of any Series A Debenture. The Company will adjust for fractions arising upon conversion of Series A Debentures by paying to the holders of the Series A Debentures being surrendered for conversion an amount in cash equal to the current market value of such fractions computed on the basis of the last sale of common shares of the Company on the Toronto Stock Exchange preceding the day on which the conversion takes place.

5. So long as any of the Series A Debentures are outstanding, the Company will not:

   (i) create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) ranking in priority to or pari passu with the Series A Debentures except additional debentures under the Trust Deed;

   (ii) create or issue any additional debentures or other funded obligations (except purchase money mortgages, building mortgages and equipment obligations) having mandatory retirement provisions (by maturities, serial or otherwise and/or by sinking fund) calling for the retirement in any 12 months' period prior to March 15, 1978 of more than 3.6% of the aggregate principal amount issued of such additional debentures or funded obligations of such issue, unless the annual sinking fund payments in respect of the Series A Debentures are increased to an equal percentage of the aggregate principal amount thereof originally issued; provided, however, that such increase shall not take effect until the March 15 next following the date when such proportionately greater payment on such additional debentures or other funded obligations is first made;

(iii) issue any additional funded obligations (except for the purpose of refunding all the Series A Debentures then outstanding) unless and until it shall have delivered to the Trustee a report of the Company's auditors in form satisfactory to the Trustee evidencing:

(A) that the aggregate of consolidated net tangible assets plus the amount of purchased intangible property is at least two times the principal amount of all consolidated funded obligations that will be outstanding after the issue of such additional funded obligations. Consolidated net tangible assets shall be computed from a consolidated balance sheet of the Company and all subsidiaries as of a date not more than 6 months prior to the issue of the additional funded obligations adjusted to give effect to issues or retirements of funded obligations subsequent to the date of the balance sheet inclusive of the additional funded obligations proposed to be issued and any retirement of funded obligations to be made out of the proceeds thereof;

(B) that the average of the annual consolidated net earnings available for interest for the last two preceding fiscal years was at least equal to four times the annual interest requirements in respect of consolidated funded obligations to be outstanding immediately after the issue of the additional funded obligations and after the retirement of any funded obligations to be retired out of the proceeds of such additional funded obligations;

(iv) permit any subsidiary to borrow except from the Company or to issue any funded obligations except to the Company or another subsidiary or to guarantee any indebtedness or dividends or give any other guarantee on behalf of any person, firm or corporation other than the Company; provided that this covenant will not apply to borrowing by a subsidiary in the ordinary course of business from any bank or banks by way of current loan or to the giving of any security (except on fixed assets) to secure any such current loan nor to the giving or assumption by a subsidiary of purchase money mortgages, building mortgages or equipment obligations all as to be provided in the Trust Deed; provided further that this covenant will not apply to borrowing by a subsidiary for the purpose of refunding existing funded obligations or, in the case of any subsidiary which becomes a subsidiary after the date of the Trust Deed, for the purpose of refunding funded obligations existing at the date when such company became a subsidiary, in either case to the extent of the principal amount of such funded obligations outstanding immediately prior to the time of refunding;

(v) make any distribution at any time:

(A) when it is in arrear in payment of any interest, or

(B) when it is in default of any sinking fund obligation, or

(C) when the amount of undistributed consolidated net earnings available for distribution is not sufficient to provide for such distribution, or

(D) if after giving effect to such distribution the consolidated net tangible assets plus the amount of purchased intangible property are less than two times the consolidated funded obligations

at the date of authorization of such distribution by the Directors of the Company if such distribution is made within 60 days thereafter; or at the date such distribution is made if such distribution is made without prior authorization by the Directors or more than 60 days after the date of such authorization.

By the Trust Deed the following expressions will be defined substantially as follows:

"consolidated net earnings" for any specified period means the income for such period from all sources of the Company and subsidiaries computed on a consolidated basis in accordance with sound accounting practice after charging or making provision acceptable to the Company's auditors for (i) interest on funded obligations, (ii) amortization of discount and expense in respect of funded obligations, (iii) taxes on income or profits, computed on the basis of the amounts actually charged in the books of account against earnings for depreciation on depreciable properties, plant and equipment, whether or not the same amounts are charged in the determination of income tax or profits taxes payable, (iv) depreciation on depreciable properties, plant and equipment computed on the basis of the amount actually charged therefor in the books of account, (v) all other expenses of operation and administration, and (vi) minority interests in the earnings of subsidiaries.

"consolidated net earnings available for interest" for any specified period means the consolidated net earnings for such period of the Company and subsidiaries (but excluding from the computation thereof any gains or losses on the sale, disposal or revaluation of capital assets or investments if the net consolidated gain or loss exceeds $25,000) after adding back all amounts deducted in the computation of consolidated net earnings pursuant to subclauses (i), (ii) and (iii) of the preceding definition.

If the Company or any subsidiary shall have acquired, within or after the period for which consolidated net earnings available for interest is being determined, or will acquire in connection with the issuance of additional funded obligations in respect of which the computation is being made, properties which within six months prior to such acquisition were used or operated in a business similar to that in which they are or are to be used or operated by the Company or such subsidiary, then, in computing consolidated net earnings available for interest, the net earnings of such properties for the whole of such period may be included as if such properties had been owned by the Company or such subsidiary during the whole of such period.

"undistributed consolidated net earnings available for distribution" as at a specified date means:

(a) the algebraic sum of:

(i) $654,994 plus the amount of or deficit in consolidated net earnings for the period commencing January 1, 1958 and ending on the specified date computed on a consolidated basis of the Company (for the whole of the said period) and its subsidiaries which are such at the specified date (for the said period or for the respective portions thereof during which they were subsidiaries); less

(b) the sum, without duplication, of:

(ii) the amount, if any, by which the losses on the sales or other disposal of capital assets or investments of the Company and subsidiaries for the same period exceeds gains on sales or

disposal of capital assets if and to the extent that the same was not taken into account in computing consolidated net earnings; and

(iii) all distributions made or authorized by the Company after January 1, 1958 and prior to the specified date; and

(iv) any unpaid fixed cumulative dividends accrued to the specified date on any outstanding preferred shares of the Company and subsidiaries; and

(v) all payments or distributions to the Company's shareholders or any of them by way of dividend in cash or in specie but not a stock dividend;

all computed in accordance with sound accounting practice.

"current loan" means and includes any loan made in the usual course of business which is repayable on demand or which matures within 12 months after the date of the making or incurring of the same and includes any renewal of any loan which renewal is payable on demand or within 12 months after the making of such renewal.

"distribution" means:

(a) a payment or distribution by way of dividend in cash or in specie on the shares of the capital stock of the Company but not a dividend payable in stock of the Company;

(b) a payment or distribution to the shareholders of the Company by way of purchase, redemption or reduction of capital stock unless made out of the proceeds of an issue of shares by the Company made concurrently with or prior to such purchase, redemption or reduction; and

(c) a payment of tax by the Company on undistributed income under Section 105 of the Income Tax Act (Canada) or any section or provisions amending the said Section 105 or substituted therefor.

"equipment obligations" means and includes indebtedness represented by any chattel mortgage, lien, encumbrance or conditional sales agreement entered into by the Company or any subsidiary as part of or to finance the purchase price of any automotive or accessory equipment (herein called "equipment") such chattel mortgage, lien or encumbrance to be in respect only of the equipment then being purchased, or any lease of equipment for a term of more than 12 months entered into in connection with the leasing of any equipment not theretofore operated by the Company or any subsidiary, provided that the aggregate amount of the payments secured thereby or required to be made thereunder is not in excess of the cost or fair value of the equipment, whichever is the lesser, and provided further that "equipment obligations" includes any extensions and renewals thereof on the same equipment if the aggregate amount of the payments secured thereby or required to be made thereunder at the time of such extension or renewal is not increased.

"funded obligations" means any indebtedness and any equipment obligation the due date of payment of the principal amount of which is eighteen months or more after the date of the creation, issue or incurring thereof and any liability (contingent or otherwise) in respect of any guarantee by the Company and/or any subsidiary of such indebtedness of any person, firm or corporation other than the Company or a subsidiary or customers or suppliers in the ordinary course of business.

"consolidated funded obligations" means the aggregate amount of all funded obligations of the Company and its subsidiaries arrived at on a consolidated basis in accordance with sound accounting practice.

"building mortgage" means and includes any mortgage, lien or other encumbrance upon a contiguous parcel of real and immoveable property now or hereafter owned or leased by the Company or any subsidiary if such mortgage, lien or other encumbrance (a) is created or assumed in connection with, or within 2 years after, the construction, purchase or other acquisition by the Company or any subsidiary of buildings, machinery, fixtures or equipment of a permanent character installed on such property, and (b) provides or secures an amount not in excess of $66\frac{2}{3}\%$ of the total cost calculated as hereinafter specified of such buildings, machinery, fixtures or equipment and of such property on which it is installed.

For the purposes of this definition, there shall not be included in the calculation of cost any amount or amounts in respect of (i) maintenance or repairs or any other expenditures not properly chargeable to capital account, (ii) any portion of such cost not paid in cash or satisfied by such mortgage, lien or other encumbrance or the proceeds thereof, or (iii) any expenditure or liability made or incurred more than 2 years preceding the date of the creation or assumption by the Company or such subsidiary of such mortgage, lien or encumbrance.

"purchase money mortgage" means and includes any mortgage, lien or other encumbrance upon property acquired by the Company or any subsidiary assumed or given back as part of the purchase price of such property, to provide or secure not in excess of $66\frac{2}{3}\%$ of the cost of such property to the Company or such subsidiary, and includes any extensions and renewals thereof upon the same property provided that the principal amount of the indebtedness secured thereby at the time of such extension or renewal is not increased.

"subsidiary company" or "subsidiary" as used herein means (a) any corporation or company of which all the outstanding shares of each class of shares in its capital are for the time being owned by or held for the Company and/or any other corporation or company in like relation to the Company and includes any corporation or company in like relation to a subsidiary; and (b) any corporation or company of which more than 50% of the outstanding voting stock or shares, as to be defined, are for the time being owned by or held for the Company and/or any subsidiary of the Company if but only if the Directors of the Company by resolution determine that such corporation or company shall be deemed to be a subsidiary of the Company and only so long as more than 50% of the outstanding voting stock or shares of such corporation or company are owned by or held for the Company and/or any subsidiary of the Company. Any such resolution shall not be revocable and shall be conclusive and binding upon all parties in interest. If by reason of any such resolution any corporation or company (hereinafter called a "deemed subsidiary") is deemed to be a subsidiary of the Company then any corporation or company of which more than 50% of the outstanding voting stock or shares are or shall at any time be owned by or held for a deemed subsidiary and/or any other corporation or company in like relation to a deemed subsidiary shall be deemed to be a subsidiary of the Company and any other corporation or company in like relation to such a corporation or company shall also be deemed to be a subsidiary of the Company.

"consolidated net tangible assets" means the excess of the total of the following assets appearing on a consolidated balance sheet prepared in accordance with sound accounting practice:

(i) all current assets;
(ii) property, plant and equipment;
(iii) lands, interests in land, improvements, buildings, erections, constructions and equipment;
(iv) all investments including notes receivable;
(v) all other physical assets;
(vi) the refundable portion of any taxes;
(vii) any other assets which in accordance with sound accounting practice may properly be grouped as tangible assets;

over all liabilities appearing on such balance sheet other than liability for capital stock, surplus or reserves (to the extent not required to be treated as liabilities in accordance with sound accounting practice) and other than any contingent liabilities except to such extent, if any, as the directors in their discretion shall determine that special provision shall be made in the accounts for meeting such contingent liabilities and other than liabilities in respect of principal, premium (if any) and sinking fund instalments (if any) in respect of funded obligations. In ascertaining the value of consolidated net tangible assets for the purposes of this definition due allowance shall be made for minority interests, if any, in any subsidiary and the value of (i) all assets which in accordance with sound accounting practice may properly be classified as fixed assets shall be taken at cost to the Company or a subsidiary less the provision for depreciation and/or amortization, (ii) all investments including notes receivable for which a ready market exists may be taken at not more than market otherwise at cost to the Company or a subsidiary, and (iii) other assets shall be valued in accordance with the report of the Company's auditors; provided that, in computing consolidated net tangible assets for the purposes of the tests specified in clauses 5(iii)(A) and 5(v)(D) hereof, the value of any equipment lease shall be included to the extent that liability in respect of such lease is included in the calculation of the amount of funded obligations for the purposes of such tests.

"amount of purchased intangible property" shall mean and include the excess of the cost of:

(i) property acquired by the Company or any subsidiary at any time over the net values assigned by the Company or such subsidiary to the tangible property acquired as part of such transaction,

(ii) shares and securities of any company (if such company thereby becomes a subsidiary) acquired by the Company or any subsidiary over the values assigned to the net tangible assets of such company with due allowance for minority interests, if any;

provided that the amount thereof shall, for the purposes of this definition, be amortized at the rate of 5% of the original amount of such excess per year.

(f) Certain subsidiaries of the Company have outstanding $3,350,000 principal amount of unsecured Notes maturing December 30, 1959 all of which are held by The Greyhound Corporation. In addition, certain subsidiaries have outstanding a mortgage in the principal amount of $130,000 payable to the extent of $65,000 principal amount on September 1 in each of the years 1958 and 1959.

(g) No substantial indebtedness is to be created or assumed which is not shown in the pro forma consolidated balance sheet as at December 31, 1957 forming part of this Prospectus, to which reference is hereby made.

(h) The number of securities offered by this Prospectus and their correct descriptive titles and their issue price to the public and the terms thereof are as stated on pages A and B of this Prospectus, to which reference is hereby made.

(i) The estimated net proceeds to be derived from the sale by the Company of (i) the Series A Debentures is $3,360,000 and (ii) the common shares is $1,656,000 less, in each case, legal, audit and other expenses in connection with such issues estimated at $25,000.

(j) The proceeds to be received by the Company from the sale of the Series A Debentures will be applied to the extent of $450,790 for the purchase of the assets of The Greyhound Buildings Limited, which will be voluntarily wound up, and the balance thereof, after payment of the expenses of issue, will be used for working capital, the purchase of buses and for general corporate purposes. The net proceeds to be received by the Company from the sale of the common shares will be lent without interest to Western Canadian Greyhound to apply on the payment of notes held by The Greyhound Corporation.

(k) In the opinion of the directors no minimum amount must be raised by the issue of the Series A Debentures and the common shares in order to provide the sums or the balance of the sums required to be provided for the purchase price of any property purchased or to be purchased that is to be defrayed in whole or in part out of the proceeds of such issues or any commissions payable by the Company except as set out in paragraphs **(j)** and **(l)** hereof.

(l) By an agreement dated January 28, 1958 referred to in paragraph **(u)** hereof, the Company has agreed to sell and Gairdner, Son & Company Limited has agreed to purchase the said $3,500,000 principal amount of Series A Debentures and the said 180,000 common shares upon the terms and conditions set forth in the underwriting agreement for $96 per $100 principal amount and accrued interest in the case of the Series A Debentures and for $9.20 per share in the case of the common shares.

(m) The remuneration of the directors for their services in such capacity shall be on such basis and in such amount as the board of directors shall from time to time determine by resolution and shall be in addition to any other remuneration by way of salary or fees which may be paid to any officer, solicitor or counsel or employee of the Company who may also be a director of the Company. The board of directors may also from time to time by resolution grant special remuneration to any director in respect of special services undertaken by him outside his ordinary duties as director and may also from time to time by resolution advance or reimburse any expense which a director may incur in connection with the affairs of the Company or may grant a fixed amount in respect thereof.

(n) The Company was incorporated by Letters Patent dated September 11, 1957 and completed its first financial year on December 31, 1957. The aggregate remuneration paid by the Company to its directors during such year was nil, and to its officers who individually received remuneration in excess of $10,000 per annum was nil. The aggregate remuneration estimated to be paid or payable during the current financial year of the Company to its directors as such is nil, and to its officers who may individually be entitled to receive renumeration in excess of $10,000 per annum is nil. It is expected that such officers and directors will receive their remuneration from subsidiaries.

(o) No amount has been paid within the 2 years preceding the date hereof or is payable as a commission by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for common shares in or obligations of the Company. Reference is made, however, to paragraph **(l)** hereof.

(p) The estimated amount of preliminary expenses of the Company is $10,000 exclusive of the estimated expenses of the issue of the Series A Debentures and the common shares hereby offered as set out in paragraph **(i)** hereof.

(q) The only property which the Company has acquired or proposes to acquire at this time is the following:

(i) all of the outstanding shares of Western Canadian Greyhound and Eastern Canadian Greyhound which were acquired from The Greyhound Corporation, 5600 Jarvis Avenue, Chicago 31, Illinois, U.S.A. in exchange for 450,000 fully paid common shares of the Company as they were then constituted. By virtue of the Supplementary Letters Patent issued to the Company dated February 20, 1958 the said shares were divided into 720,000 fully paid common shares, and

(ii) all of the assets of The Greyhound Buildings Limited as referred to in paragraph **(j)** hereof, to which reference is hereby made.

(r) No securities have been issued or have been agreed to be issued as fully paid or partly paid up otherwise than in cash within 2 years preceding the date of this Prospectus, other than the 450,000 common shares issued to The Greyhound Corporation as referred to in paragraph **(q)** hereof, to which reference is hereby made.

(s) No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities hereby offered and no services have been within the 2 years preceding the date hereof or are now proposed to be paid for by securities of the Company except as set out in paragraph **(i)** hereof.

(t) Nothing has been paid within the 2 years preceding the date hereof or is intended to be paid to any promoter.

(u) No material contracts have been entered into within the 2 years preceding the date hereof other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company except:

(i) the agreement made September 18, 1957 between the Company and The Greyhound Corporation relating to the acquisition of the shares referred to in paragraph **(q)**(i) hereof;

(ii) the agreement made January 28, 1958 between the Company and Gairdner, Son & Company Limited referred to in paragraph **(l)** hereof;

(iii) the agreement made February 24, 1958 between the Company and The Greyhound Buildings Limited to purchase the assets referred to in paragraph **(q)** (ii) hereof.

Copies of the said agreements may be inspected at the head office of the Company, 222 First Avenue West, Calgary, Alberta, in ordinary business hours of any business day during the period of primary distribution of the securities hereby offered.

(v) No property has been acquired by the Company within the preceding 2 years or is proposed to be acquired by the Company in which any director has any interest.

(w) The Company has been carrying on business since September 16, 1957.

(x) $487,074 of the amount of the consideration received for the issue of the common shares of the Company has been set aside as distributable surplus.

(y) The Greyhound Corporation, 5600 Jarvis Avenue, Chicago 31, Illinois, U.S.A., is in a position to elect a majority of the directors of the Company.

(z) No securities of the Company are held in escrow.

(za) The Company has not paid any dividends on its shares since the date of its incorporation to the date of this Prospectus. However, the directors have declared an initial quarterly dividend of 18¾ cents per share in respect of the three months ending June 30, 1958, and a dividend of 3 cents per share in respect of the two weeks ending March 31, 1958, on the common shares of the Company, both payable on June 30, 1958, to holders of record as of June 14, 1958.

(zb) By Order of The Honourable The Chief Justice of Alberta dated February 19, 1958, made pursuant to the Companies Act (Canada), the signature of one of the directors of the Company, Clifford Griffith Schultz, on this Prospectus was dispensed with.

Dated February 28, 1958.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario), section 39 of The Securities Act, 1954 (Saskatchewan), section 13 of the Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosue of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario), section 39 of The Securities Act, 1954 (Saskatchewan), section 13 of the Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act, 1955 (Alberta) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Underwriter

Gairdner, Son & Company Limited

The following includes the names of all individuals having more than a five per cent interest in Gairdner, Son & Company Limited: J. A. Gairdner, R. O. Bull, C. W. MacLean, J. S. Gairdner, G. Bray, L. N. Watt, J. D. Gibson, H. V. Shaw, J. F. Plewman and G. C. Watt.